



# ***Daily Report***

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## **China**

FBIS-CHI-93-184  
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# Daily Report

## China

FBIS-CHI-93-184

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24 September 1993

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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## General

### 'Beijing Authorities' Prepare for Olympic Vote

HK2409111793 Hong Kong MING PAO in Chinese  
24 Sep 93 p A2

[Report by staff reporter: "The Mainland Issues Five Emergency Instructions; the United States Notifies the Chinese Foreign Ministry That It Demands Protection for U.S. Institutions"]

[Text] Yesterday the Beijing authorities issued five emergency instructions to institutions throughout the city, central organs in Beijing, and universities and colleges on dealing with incidents arising from the 2000 Olympic Games vote. The instructions disclosed that the United States had notified the Chinese Foreign Ministry that it asked for official protection for U.S. institutions in Beijing.

Yesterday, all institutions, universities, colleges, and state organs in Beijing were busy relaying these five emergency instructions. The instructions requested that if Beijing succeeded in its 2000 Olympic Games bid, the masses should be prevented from becoming too feverish in their celebrations. The instructions demanded that the citizens should refrain from joining in revelries and should prevent "bad people" from carrying out sabotage and making trouble during their celebrations.

The instructions asked the citizens not to rush to Tiananmen Square; if they held celebrations in the square because of the success of Beijing's Olympic Games bid, they should pay attention to safety and prevent accidents and should not allow some people to instigate the destruction of state property.

The government pointed out: From the night of 23 September to the morning of 24 September, all institutions, universities, and colleges should assign officials on duty. If a problem occurs or someone does something wrong, the relevant institution will be held responsible. If someone takes this opportunity to make trouble, he will be severely punished. No institution is allowed to make 24 September a holiday.

From the night of 23 and 24 September, all important institutions, including the Foreign Ministry and the Ministry of Public Security, should at all times be ready to report on the situation to the central government.

The government also stressed the need to ensure the safety of the embassy area in Beijing. The instructions revealed that the United States had made a request through the Chinese Foreign Ministry that the Beijing police should ensure the safety of the U.S. Embassy and other U.S. institutions in Beijing. The police also learned that some people had indicated that if Beijing failed in its 2000 Olympic Games bid, they would blame: First, the United States; second, the International Olympic Committee; and, third, the Beijing Olympic Games Bid Committee.

The instructions only mentioned that if Beijing failed in its bid, people should not lose hope or vent grievances everywhere but should instead treat it correctly.

At 2020 yesterday, the Beijing Central Television Station began broadcasting a special program providing live coverage of the Monte Carlo event, with some reporters' interviews on the streets. The questions asked were: "Do you know what day today is?" "What do you think of China's Olympic Games bid?"

From zero hour to 0230 today, the Beijing Television Station provided a night party program. To encourage the citizens to watch overnight television programs, enterprises in Beijing and other provinces changed the holiday to today, so that they would not be drowsy at work.

In addition, primary school pupils in Beijing were told to go to bed early last night and to get up at midnight to watch whether Beijing could win the 2000 Olympic Games bid in the live coverage by the Central Television Station. Therefore at 1900 to 2000 yesterday, Beijing primary school pupils had already gone to bed.

At a time when the mainland had organized a propaganda offensive by beating drums and gongs, it is learned that the official XINHUA NEWS AGENCY sorted out articles published outside the country on Beijing's 2000 Olympic Games bid. It pointed out that articles published by the Western press praising China were very few but the Hong Kong media's attitude was positive on the whole.

At a party sponsored by the Beijing Olympic Games Bid Committee and the Beijing Television Station last night, it was arranged that if Beijing succeeded in its 2000 Olympic Games bid, members of the Chinese People's Political Consultative Conference would hold an overnight forum and this would be published by today's newspapers. In the meantime, the XINHUA NEWS AGENCY would also hold a forum.

### Citizens Gather After Vote

OW2309235093 Tokyo KYODO in English 2314 GMT  
23 Sep 93

[Text] Beijing, Sept. 24 KYODO—Up to 500 citizens spontaneously gathered before the famed Tiananmen Gate early Friday morning [24 September], moments after Beijing's unsuccessful bid to hold the 2000 Olympic Games was announced.

The crowd of mostly young people assembled near the gate most famous for its huge portrait of former leader Mao Zedong. No disturbances were reported.

Large numbers of police were also at the square, plus all major intersections throughout the city.

Beijing's bid would have heralded a coming of age for China and could have greatly boosted its poor international image, something that many Chinese have hoped for.

Most of those who joined the vigil expressed their hopes that China should continue to make efforts to host the olympics.

"I've come out tonight because I need a place to go when I have an uneasy feeling," a young teacher explained.

When asked if he felt angry or sad, he replied, "sad, of course, no one dares be angry."

"I came here to have a look at what's happening. I didn't think that we could host the Olympics anyway, China's too backward," a Chinese journalist said.

"For many the whole bid has created contradictions, on one hand we know that any kind of large-scale, government-backed activity is going to have a political goal but at the same time to win the Olympic Games would have offered the people hope for the future," he said.

When asked what was the political goal, he quietly said, "June 4," referring to the date that Chinese soldiers crushed the democracy movement in Tiananmen square in 1989.

The International Olympic Committee awarded the right to host the 2000 Summer Olympic Games to Sydney after a vote in Monte Carlo early Friday morning Beijing time.

Beijing placed second, followed by Manchester, Berlin and Istanbul.

#### **Li Tieying Telephones Olympic Bid Delegation**

*OW2309204693 Beijing XINHUA in English 2033 GMT 23 Sep 93*

[Text] Beijing, September 24 (XINHUA)—Li Tieying, member of the Political Bureau of the Chinese Communist Party Central Committee and state councillor, telephoned the Beijing bid delegation right after Sydney was chosen by the International Olympic Committee to host the 2000 Olympic Games.

"Bidding for the Olympics itself is an important step in our reform and open policy. Although we did not get the right to host the 2000 games, we've made great achievements through our substantial work," Li said on behalf of the Communist Party Central Committee and the State Council.

"In our bidding efforts, we have fully expressed our sincere support for the Olympic movement and our love for peace, displayed the Chinese civilization of over 5,000 years and the great achievements gained from our reform and open policy, strengthened the understandings between the people of China and other countries," he said.

Bidding for the Olympics is of great significance for sports development in China, for our reform and open policy, and for our socialist construction course, Li added.

"We did not win the right to host the 2000 Olympic Games, but that does not mean that China is unable to stage the games," he said.

Among the five bidders, there was only one lucky city, but no losers, Li said, adding the important thing is to take part in.

The Chinese Government and the people will continue to make their contributions to world peace and progress through active support for the Olympic movement, he said.

#### **Expresses 'Respect' for Decision**

*HK2409080293 Beijing CHINA DAILY in English 24 Sep 93 p 1*

[Report by staff reporter Yang Xinwei: "Sydney to Host 2000 Olympics, Says IOC"]

[Text] Monte Carlo—Sydney has won the bid to host the 2000 Olympics, the IOC [International Olympic Committee] announced early this morning Beijing time.

The decision marked the end of a fine attempt to win the Games by Beijing.

Shortly after the announcement, State Councillor Li Tieying said in Beijing: "The fact that Beijing has lost its bid to hold the 2000 Olympics does not mean China lacks the ability and facilities to hold the Games."

He said the result would definitely motivate the whole nation to make a concerted effort to build a more modern China and speed up the development of the country's sports.

"We sincerely respect the final decision by the IOC members," Li said. "And the Chinese people know that in the competition to host the Games there is one lucky city, but no loser.

"The most important thing," he added, "is the participation."

The results of the vote showed how close Beijing came to achieving its dream.

The Chinese capital finished ahead of Sydney in the first three rounds and it was only in the decisive fourth round that the Australian city moved 45-43 ahead.

Beijing had been embraced by an international community, whose support and encouragement will have a permanent effect on the world's view of Beijing and on Beijing's future in international sports, one Chinese delegate said.

The bid itself had already been a success, since the Olympic spirit and knowledge of the Olympic Movement had been spread throughout China's 1.1 billion population.



By bidding, Beijing has already made a contribution to the development of the Olympic Movement in China, he said.

Sydney promises friendship shown by its offer to house all participants in a single village.

The Sydney bidders, led by Australian Prime Minister Paul Keating, promised a friendly gathering for the world's youth to come, compete, and celebrate together.

The Sydney campaigners stressed their technical merits with the fact that 70 percent of their Olympic venues are either complete or under construction.

They emphasized their priority consideration was the interests of the athletes.

John Coates, president of the Australian Olympic Committee, pointed out that it is the third consecutive bid by Australia, which is one of the three nations to have participated in all the modern Olympic Games.

Britain and Greece are the other two.

The 1956 Olympic Games were held in Melbourne while Brisbane and Melbourne ran in the last two bid campaigns for the 1992 and 1996 Games, which were won by Barcelona in Spain and Atlanta in the United States.

#### Further on Li's Remarks

OW2409112793 Beijing XINHUA in English 1054  
GMT 24 Sep 93

[Text] Monte Carlo, Monaco, September 24 (XINHUA)—Chinese Vice-Premier Li Lanqing described Beijing's bid as a help for the world to know more about China.

Li, honorary president of the Beijing bid team to the IOC 101st session, said before leaving Monaco on Friday [24 September] that although Beijing did not win the honor to host the games, the bidding process has helped the rest of the world understand China better.

"The bid has also helped deepen the friendship between the Chinese people and the people of other countries. It has promoted the cooperation between China and the rest of the world," he added.

The Chinese vice-premier congratulated Sydney for its win in the bid for the honor to host the 27th Olympiad in the year 2000.

He said: "The Olympic spirit is a lofty spirit. Peace, friendship, understanding and progress upheld by the Olympic movement are also the pursuit of the Chinese people.

"China will, as always, continue to participate in the Olympic movement and contribute to the promotion of the Olympic spirit."

Sydney beat Beijing, Manchester, Berlin and Istanbul in Thursday's secret vote to win the bid for 2000.

#### Hurd's Remarks Denounced

HK2409095793 Hong Kong MING PAO in Chinese  
24 Sep 93 p A3

[Unattributed report: "Li Lanqing Denounces Douglas Hurd's Remarks As Violating the Olympic Spirit and Principles"]

[Text] Yesterday, Chinese Vice Premier Li Lanqing once again criticized British Foreign Secretary Douglas Hurd for saying that Beijing was not suited to host the Olympic Games. This was not in line with China's actual conditions and also violated the Olympic spirit and principle. This was indeed startling and regrettable.

Li said at a news conference: "A responsible statesman should not interfere in the affairs of the International Olympic Committee [IOC] and should respect the self-determining selection made by the IOC members."

When talking about Sino-British relations, Li Lanqing said: "Undoubtedly, we hope to improve Sino-British relations and we also have the sincerity for this. We hope that the Hong Kong issue can be solved through negotiations on the basis of the 'three conformity' principle. Vice Premier Qian Qichen will soon meet with Hurd in New York. The improvement and development of Sino-British relations depend on efforts by both sides. We hope that Mr. Hurd will, like Vice Premier Qian, show his sincerity. Only thus can Sino-British relations be improved."

On being asked by reporters about some American congressmen and senators adopting a resolution and writing a letter to oppose China's 2000 Olympic bid, Li Lanqing said: Some American congressmen interfered in the IOC internal affairs in violation of the Olympic spirit and this aroused resentment and even indignation in the IOC and among the Chinese people. Even the American member of the IOC disagreed with such a move.

Li Lanqing pointed out: China has always supported the Olympic movement. We will always take an active part in whatever is favorable to the Olympic cause. At present, Chinese athletes are actively undergoing training to compete in the Winter Olympic Games next year and the 1996 Summer Olympic Games in Atlanta and to achieve better results. We shall not give up such good opportunities in any circumstances.

#### Media Reaction to Olympic Committee's Selection

##### XINHUA Report

OW2309222993 Beijing XINHUA in English 2149  
GMT 23 Sep 93

[Text] Monte Carlo, Monaco, September 23 (XINHUA)—Sydney edged out Beijing 45 votes to 43 on Thursday [23 September] to win the honor for hosting the 27th Olympiad in the year 2000.

At first, the Sydney campaigners seemed not to believe what they heard from the announcement by IOC [International Olympic Committee] President Juan Antonio Samaranch.

The IOC president changed his version for the last two announcements for the 1992 and 1996 games, he first expressed his gratitude to all the bidding cities and then his pity to the losing bidders before announcing the winner of Sydney.

Ninety of the 91 IOC members including non-voting IOC president took part in Thursday's secret ballot which went the complete distance of four rounds between the five bidding cities.

Beijing led the opening round with 32 votes to 30 amassed by Sydney whereas Istanbul dropped out of the running on seven votes.

In the ensuing round, Beijing increased its lead to 37 votes as against still 30 for Sydney while Berlin bowed out with nine votes.

Sydney closed the gap when it collected 37 votes to chase up Beijing's 40 in the third rounder.

A telltale majority of the split-up of Manchester's 11 votes from the previous round went to Sydney to boost the city to a cliffhanging victory in the campaign.

Judge Keba Mbaye, newly elected IOC Vice-President Marc Hodler and IOC Executive Board Member Anita Defrantz were scrutineers of Thursday's votes.

He Zhenliang, the outgoing IOC first vice-president, went to congratulate the members of the Sydney bid team.

Chen Xitong, president of the Beijing 2000 Olympic Games Bid Committee, reassured Atlanta Mayor Maynard Jackson after the announcement ceremony that China will participate in the 1996 Olympic Games.

IOC Director General Francois Carrard said: "We now know that the 2000 Olympics will be in safe hands which will safeguard the interests of the athletes."

The IOC Enquiry Commission made an assessment report which, according to IOC First Vice-President Kevan Gosper of Australia, rated the Sydney's bid high for its priority consideration for the interests and farewell of the athletes.

Paul J. Keating, prime minister of Australia, said that it is a good decision by the IOC for Sydney, for Australia, for the Pacific region, for the world and for the Olympic movement as well.

### RENMIN RIBAO Commentary

OW2409050393 Beijing XINHUA in English 0347  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—Following is the full text of a commentary named "Firmly Marching Forward to the World", carried on Friday's [24 September] issue of the "PEOPLE'S DAILY" [RENMIN RIBAO]:

"According to reports from Monte Carlo, Monaco, the 101st session of the International Olympic Committee (IOC) has decided by votes that Sydney of Australia is to host the 27th Olympic Games in the year 2000.

"While respecting the choice by the IOC, we congratulate Sydney on its success in the bid. We are now as ever before grateful to the IOC for its support to Beijing's bidding efforts, and, as ever before, we cherish a friendly feeling towards the whole world. China will make all possible efforts to be all the more open to the outside world, welcoming visitors from near and afar and making friends worldwide.

"An open China awaits the Olympic Games and an open China has the full capability to host any Olympic Games. It remains to be a strong aspiration of the Chinese people now and in the future to host Olympic Games.

"A review of the Olympic history shows that many of the games' hosting countries had succeeded only after several bids. Australia, for example, has bid for three times.

"Over the last 100 years of modern Olympics, what the Old China had left was nothing but a record of 'zero', and the Chinese people were called the 'sickmen of East Asia'.

"It is only after the start of the reforms and open-door policies in China that Beijing formally handed in its application to the IOC in December 1991.

"Beijing's bid itself showed that China is enjoying a flourishing economy, a political stability, a harmonious society, and a rise in the country's capability, due to the reforms and open-door policies.

"The Chinese Government, the people and the Beijing Olympic Games bid committee have all made never-yielding efforts for the success in the bid and Overseas Chinese, compatriots in Taiwan, Hong Kong and Macao as well our friends worldwide have all offered their support.

"However, there were more than one candidate cities for the 2000 games while there could be a sole winner. Beijing lost the chance due to various, complicated reasons.

"We blame no others and we won't give ourselves up as hopeless. China will continue to safeguard the Olympic principles and aim, and China will, as ever before, actively support any events in the world which benefit promoting the Olympic movement.

"In the Olympic movement, it's more important to participate. Bidding itself is a process of participation, a process of improving China's material and cultural civilization and of strengthening the nation's unity. From this point of view, it is of great importance whatever results.

"We should realize that the most important thing is to have a high aspiration if we want to achieve something, to be understood by others. We should first do domestic things well.

"The whole party and the whole Chinese people shall stick even more to the party's basic principles, work hard for the country's socialist construction and focus our efforts on strengthening the economy. All our goals, whatsoever, will be fulfilled after we have a stronger and more modernized China.

"It is a traditional, graceful bearing of the Chinese people not to be dizzy with success and not to be discouraged by failures. We still have chances. We are confident that the day will not be far away when the five-ring Olympic flag be hoisted over China, a country with one fifth of the world's population and a history of civilization over 5,000 years. Let's strive for that day!"

#### CHINA DAILY Commentary

HK2409080493 Beijing CHINA DAILY in English  
24 Sep 93 p 4

[CHINA DAILY commentary: "Congratulations, Sydney"]

[Text] The International Olympic Committee (IOC) has decided that the city of Sydney is to host the 2000 Olympic Games. Congratulations should be extended to Sydney on its successful bidding and we wish that the Sydney Games, which will take place in seven years from now, will be a great success.

The bid by our capital city Beijing has failed despite strenuous efforts in the last three years but we will not lose heart.

IOC president Juan Antonio Samaranch has once said that in bidding for the Olympiad there are only winners, for participation is the most important thing.

In this sense, Beijing is by no means a loser—and neither are the three other bidding cities that have failed.

So far as Beijing is concerned, the fact that it had the courage to make the bid should be regarded as something commendable, as the bid itself bears witness to China's rapid development, its economic prosperity, and social stability.

An ancient but underdeveloped country, China was subjected to brutal colonialist aggression and exploitation for over 100 years during the late 19th and early 20th century. Only the founding of the People's Republic

in 1949—and especially the economic reforms implemented in the last 14 years—have enabled the world's most populous country to make remarkable economic, social, and cultural progress and raise its people's living standards dramatically.

Without such great changes in China, it would have been unimaginable for Beijing to make a bid for the world's most grand sports gala at the turn of the century.

Beijing's failure to win the bid, no matter how disappointing to our countrymen, can serve to motivate the Chinese people to make new efforts in the spirit of the Olympics.

At the same time, it should be realized that the bid made by Beijing has certainly resulted in a better understanding between the Chinese people and people of other countries.

The activities surrounding the bid throughout the country have made the spirit of the Olympics better known to the Chinese people. Never before has the Olympics been so popular in China.

The efforts have also resulted in the remarkable improvement in Beijing's urban infrastructure and transportation facilities.

Though Beijing has failed, the whole bid campaign has been characterized by enthusiasm, order, and dignity. Beijing's bid committee deserves our gratitude for the long and arduous work they have done. Thanks should also be extended to all our friends in the world for the support they have given to Beijing.

The failure this time will not stop the people of Beijing and China from trying again. Instead, they will launch a new drive to make their Olympic dream a reality in this ancient land of 1.1 billion people.

Their perseverance will surely be rewarded with success sooner or later.

#### Editorial on 'Hopes' for Future

HK2409064793 Hong Kong TA KUNG PAO in Chinese  
24 Sep 93 p 2

[Editorial: "Despite the Failure of Our Bid, We Place Our Hopes on the Future"]

[Text] Early in the morning, Mr. Samaranch, president of the International Olympic Committee (IOC), announced the voting results of the IOC's 101st plenary meeting in Monte Carlo: Sydney won the bid to host the 2000 Olympic Games. We extend our congratulations to Sydney on its success, and our regards to the members of the IOC for their strenuous work.

The five cities bidding to host the 2000 Olympic Games all have considerable strengths with prominent advantages, so the intense competition is understandable. As a result of the competition, it is certain that there will be winners as well as losers in obtaining the sponsorship.



However, everyone has been the winner in developing the Olympic spirit and promoting sports. The city which succeeded in the bid deserves to be proud, while those which lost should not be downhearted.

Realistically, Beijing's bid to host the 2000 Olympics actually boasts powerful strengths and many advantages, and the bid work has been remarkably done. All people have shown great initiative in participating in the Olympics, and Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese have also shown their warmest enthusiasm in supporting Beijing's bid to host the Olympics, which have been fully affirmed and highly appreciated by sports circles throughout the world, and by the IOC members. Although Beijing did not succeed in the bid, the entire Chinese people, including Beijing citizens, Hong Kong, Macao, and Taiwan compatriots, and Overseas Chinese, did not waste their energies, and Beijing has won much, which can be summarized as: 1) developing the Olympic spirit; 2) promoting Chinese sports; 3) pushing forward construction in Beijing; 4) enhancing the mutual understanding between Beijing and the world; and 5) accumulating experience in bidding to host the Olympics. It is extraordinary that Beijing reached such a high level in its first bid to host the Olympics, which has laid down a fine foundation for its bid to host the 2004 Olympic Games.

In the course of applying for the sponsorship of the 2000 Olympic Games, it is not only a trial of strength of the competing cities, but also a manifestation of their moral features. Beijing is a winner in the competition of style. Hanging on the wall of Beijing's reception room for the sponsorship of the Olympic Games in Monte Carlo, were streamers with the words "Immeasurable highness of virtue and longevity" and "forever brightness of the sun and the moon" written on them. This has fully mirrored the spiritual realm of Beijing. The Chinese people value "virtue" above all else, and the word "virtue" has run through the entire course of Beijing's bid to host the Olympics. Instead of making an empty show of strength, currying favor by claptrap, and still less of playing down others to boost oneself, Beijing has relied on solid work and practical actions to display the Olympic spirit. On the issue of treating success and failure and treating the adversaries of the competition, Chen Xitong, leader of Beijing Bid Delegation, made very touching remarks in Monte Carlo to this effect: Beijing tried by every possible means to make the bid a success but, "given its failure, it will still support the selected city." He also said: Beijing has invited the mayors of some cities bidding to host the Olympics to come for a visit, as "we are friends, even though we are adversaries." This is the style of Beijing, and the style of the Chinese people as well.

In the course of bidding to sponsor the Olympics, some U.S. congressmen and that imposing British Foreign Secretary Hurd went so far as to attack wantonly China and to gesticulate and criticize the IOC in an attempt to add political colors to the Olympic sports and to obstruct Beijing's bid to host the Olympics. This has trampled on the Olympic aim and principles and insulted the IOC,

and was therefore criticized by IOC President Samaranch and condemned by the Chinese people. The performance of some people in the United States and the United Kingdom has destroyed their own images and hurt their own reputations. U.S. and British politicians should understand that the era in which hegemonism and colonialism could do what they liked in China has gone forever.

We cannot say that there were not gaps or pressure in our unsuccessful work in bidding to host the Olympics. But we believe that Beijing will take this as a new starting point and turn the pressure into a motive force to work assiduously and forge ahead at a faster pace in an effort to strive for even greater achievements in the 1994 Winter Olympics and the 1996 Atlanta Olympics so as to create favorable conditions for our bid to host the 2004 Olympics. Beijing has high hopes, and China is full of promise.

#### Further Commentary on Results

HK2409070493 Hong Kong WEN WEI PO in Chinese  
24 Sep 93 p 2

[Commentary: "Bid Activities Yield Good Results"]

[Text] The right to host the 2000 Olympic Games has been decided, and the honor goes to Sydney. The Chinese Olympic Committee has expressed warm congratulations to the mayor of Sydney and to its people, and this reflects the demeanor of a great country, as well as the Olympic spirit.

Any bid to host the Olympic Games is a fierce competition, and once the cities decide to participate in the competition, the those involved in the bid certainly want to win, and go for it full steam. However, there can only be one city which will be chosen to host the games, so when it succeeds, others will not. All the hopefuls should embody the Olympic spirit of viewing participation as the purpose; the one who wins certainly can be happy; those who lose should take it calmly. All the candidates are competitors to one another in terms of relations, but are not enemies. Conversely, during the competition they learn how to get along well with one another, exchange experience, and offer and accept ideas. Since Sydney has succeeded, other cities should respect the result of the voting by the members of the International Olympic Committee. The athletic spirit of neither becoming arrogant when one wins nor becoming frustrated when one loses should be developed.

Australia tried in vain to host the Olympic Games three consecutive times. This is its fourth try and it eventually succeeded. This is China's first bid to host the Olympic Games in more than 100 years. China lacks experience; for example, we were more honest, humble, and solid when we included in our tender the stadiums and sports facilities waiting to be repaired, and the purpose is to show that we want to make the best things even better and enable them to reach the newest standards in the year 2000. In fact, the stadiums have just been used to

host the Asian Games, and are completely able to meet the standards for international sports competitions. Some candidates change exhibition venues into sports venues, but refrain from mentioning the repair work. Sydney acquired some experience from its unsuccessful bids in the past, and wrote a very smart report, illustrating their advantages and avoiding mentioning their disadvantages. At the last moment, Sydney drew its lethal weapon, promising that each athlete could bring along two family members to Sydney to attend the Olympic Games, stay in homes there, and eat free breakfasts. This liberal condition attracted many members of the International Olympic Committee.

From the bid to host the Olympic Games, China has learned much. The next time China tries, it will be more mature and skillful.

Does the unsuccessful bid to host the 2000 Olympic Games constitute a failure? We do not think so. On the contrary, China has succeeded in transmitting a message: China will be more open, its economy will develop more prosperously, it will attract more foreign funds, and 2000 will be a year in which the great dragon in the East rises and flies.

Through the limelight at the 101st session of the International Olympic Committee, China let the peoples on the five continents see the new image of a country which is completely confident, proud, and able to rally for support. The impact is profound.

We must also see the influence and effect of the bid to host the Olympic Games among the people in the whole country, and among the children of the Chinese nation around the world. The idea of the bid to host the 2000 Olympic Games was first suggested by university students in Beijing, and was later affirmed by the government. When the bid activities began, the whole nation immediately responded, and enthusiastic support came from those within and outside the country. The world has seldom seen a nation which works so wholeheartedly for a goal. This kind of united spirit will bring about an unlimited force promoting the four modernizations and invigorating the Chinese nation. Even though the bid to host the Olympic Games has not been successful, the Chinese heart remains unchanged forever, and the results it yields will be long lasting [as published]. So long as China continues to reform and open, this spiritual force will be guided to the domains of economic, cultural, scientific, and technological construction, and China will climb to a new peak.

The bid by Beijing to host the Olympic Games reflects the situation in which China's political and economic reforms continue to develop and become irreversible, and this tendency will certainly increase China's comprehensive national strength. Some superpowers obstructed China's bid to host the Olympic Games, but this does not prove that they have a method of control; it just proved that they fear China's undertaking in reform and opening up, and panicked. Is it not true that they say

China is not open and has no "human rights?" But why do they refuse to let China promote opening through organizing the Olympic Games and showing the friends and press in the whole world the real human rights of the Chinese people?

This enlightens the Chinese people; that is, no hegemonists or imperialists wish to see poor China becoming powerful and affluent. Even though China has decided to carry out reform and opening, they will try every trick to undermine and strangle the undertaking. To cast off the prejudice and oppression of various strong foreign powers, the Chinese people can only strengthen unity, work solidly to accomplish the matters in China, and increase national strength. The bid activities will wake up the soul of the nation, and make the younger generation struggle for credit, learn good skills, rise for accomplishment, and build the country.

China's first bid to host the Olympic Games has not been successful, but the Chinese people are persistent, dauntless, and tenacious, and we will try again, and will reach our goal. Things must be perceived from a long-term perspective, and the Chinese nation will rise.

#### **Qian Qichen Leaves for UN General Assembly**

OW2409070693 Beijing XINHUA in English 0637  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen left here today for New York at the head of a Chinese delegation to attend the 48th session of the General Assembly of the United Nations.

Chinese Vice-Foreign Minister Liu Huaqiu went to see Qian and his delegation off at the airport.

#### **Shanghai Mayor, U.S. Journalist Address Seminar**

OW2309132593 Shanghai People's Radio Network in Mandarin 2300 GMT 20 Sep 93

[From the "Morning News" program]

[Text] Jointly sponsored by the Shanghai Municipality and the U.S. BUSINESS WEEK, the 1993 Asian Chief Executives Seminar opened in Shanghai's Portman Hotel last night. BUSINESS WEEK President (John Parton) addressed the opening session and Mayor Huang Ju delivered a speech: "Shanghai's Role in China's Future Economic Development."

BUSINESS WEEK is a national publication second to the TIME magazine in the United States with a global circulation of over 1 million. The magazine sponsors annual Asian Chief Executives Seminar at different places in Asia, attended only by presidents of Asian companies with an annual turnover of \$250 million and above.

**'Roundup' on 'Subtle' U.S.-Russian Relations**

OW2309124093 Beijing XINHUA Domestic Service in Chinese 2134 GMT 15 Sep 93

["Roundup" by XINHUA reporter Wang Chongjie (3769 1504 2638): "Complex and Subtle U.S.-Russian Relations"]

[Text] Beijing, 16 Sep (XINHUA)—As time advances, the differences between the United States and Russia in bilateral relations and international issues are appearing. In particular, the rivalry between the two countries for a role in the regions under the former Soviet Union is causing their contradictions to worsen. One can easily read about these complexities from the press in Washington and Moscow.

1. The reactions of Russia and the United States to the so-called economic aid by the latter are poles apart.

THE WASHINGTON POST wrote: "President Clinton has proudly claimed that the aid for Russia is one of his greatest achievements in foreign affairs," "but the viewpoint expressed in Moscow is contrary to this." "Moscow feels more and more that the Clinton administration's willingness to help Russia is only a means to make Russia bow and scrape before the United States." "There are indications that U.S.-Russian relations are drifting apart."

In a published article, the scholar Kalakanov [name as received] of Russia's Academy of Sciences said a number of Russian scholars, after studying the West's policies of aiding the Soviet Union and Russia in the past three and a half years, have arrived at this important, yet simple, conclusion: "There has been practically no aid at all." He pointed out the gratuitous aid and low-interest loans provided by the West to the Soviet Union and Russia in the past three and a half years accounted for a very small portion, that "a considerable portion of the aid was payment for the expenses for our withdrawal of troops from Germany," and that the remaining portion of the so-called aid was only "ordinary loans with stipulated conditions that they must be used to purchase goods in the countries which provide the loans," adding that "ceaseless talk about aid" has become an unrealistic "myth" in Russia and the West.

Russian leaders and public opinion have time and again stressed that what is important is that Western countries must "eliminate trade discrimination against Russia" and "provide a place" for Russia in the world market for industrial goods and weapons. However, the United States has not yet resolved the issue of giving long-term "most favored nation" trading status to Russia; moreover, the COCOM (Coordinating Committee on Export Control, which applies to strategic materials and equipment exported to Communist countries), in which the United States plays an important role, has not changed its stipulations on banning the exportation of advanced technology to Russia, and the issue of Russia's application to join GATT has not been resolved. Constant

frictions have emerged between the United States and Russia on the issue of weapons exportation. THE MOSCOW NEWS weekly pointed out: "This includes the dispute about Russia's selling of submarines to Iran. This business deal can bring an income of \$600 million to Russia, but the deal has invoked the anxiety of Washington, which worries that this will upset the military balance in the Persian Gulf. This includes the long-term dispute about the guided missile deal between Russia and India. This deal is needed by Russia, but it does not conform to the United States' long-range interests." Russian Premier Chernomyrdin said on 19 August: "Those countries that control the world markets have no intention now to allow Russia to enter these markets. They hope Russia's economy will finally collapse, but they will not see this happening."

2. The Strategic Arms Reduction Treaty [START] signed by the United States and Russia has not yet been ratified.

On 3 January this year, the U.S. and Russian presidents signed the second Strategic Arms Reduction Treaty [START II] in Moscow. This treaty stipulates that before 1 January 2003 the number of strategic warheads will be reduced to 3,000-3,500 on each side. This will result in reducing the current number of warheads held by both sides by two-thirds. Up to now, the two countries' parliaments have not yet ratified this treaty; moreover, in some areas things are becoming more complex. The U.S. Defense Department plan on the structure of future military forces, which was made public at the beginning of this month, noted that "many difficulties need to be overcome before the ratification of START II" and that "even if these difficulties can be overcome, implementation of the reduction plans stipulated by START I and START II cannot be accomplished in the next 10 years."

The United States and Russia now hold generally the same amount of strategic nuclear weapons, and each has its own strong points. Whether or not the signed treaties will be ratified and seriously implemented constitutes an important test for relations between the two countries.

3. There are also some differences between the United States and Russia on the current international issues.

Public opinion in Russia has repeatedly censured the United States for its "tendency to issue orders" with regard to some international issues, and also "holds a negative attitude" toward the U.S. attempt to "play the leading role" in the world. Kortunov [name as received], a scholar with the Russian Academy of Sciences United States and Canada Institute, pointed out in a published article: In the summer of this year, "the Clinton administration successively adopted a series of diplomatic and military actions: launching guided missile attacks against Baghdad, making proposals on the Bosnia-Herzegovina issue, holding a new round of talks with the Ukraine, having U.S. troops in Somalia take major actions, strongly exerting pressure on Japan on economic matters at the Group of Seven summit, and so on and so forth." "This wild enthusiasm of the Clinton administration in



the international arena is an attempt to consolidate the U.S. status as the sole leader in the world." "However, after the end of the 'Cold War,' it is not possible to carry out the task of maintaining the leading status of the United States in the world, nor is it possible to safeguard the United States' 'superpower nature' under conditions where the Soviet Union no longer exists."

The differences between the United States and Russia on solving the Bosnia-Herzegovina conflict more clearly reflect the subtle relations with regard to some world "hot spots." The MOSCOW NEWS pointed out: "The differences between Russia and the United States on solving the Bosnia-Herzegovina situation are very obvious. The Americans have invariably insisted on the idea of bombing the Serbs in Bosnia-Herzegovina, but Russia has been doing its best to resist this idea, though not always openly."

4. In particular, the two countries hold entirely different views on the issue regarding their role in the regions under the former Soviet Union.

According to U.S. media, a presidential order signed by Clinton set forth new U.S. policy toward national and regional conflicts in the regions under the former Soviet Union. The core of this policy is that the United States must "play a more positive role" and resolutely reject the possession of privileges by Russia to adopt action to "maintain peace" in the regions under the former Soviet Union and the establishment by Russia of "new spheres of influence" in those regions. To achieve this aim, Clinton also appointed Collins, the No. 2 figure in the U.S. Embassy in Russia, as his roving special envoy for supervising the republics under the former Soviet Union.

Politically inclined newspapers in Russia have rather strongly criticized this "new policy" of the United States. KRASNAYA ZVEZDA, organ of Russia's Defense Ministry, emphatically pointed out: "At first glance, Washington's action program seems very creditable: ending conflicts in the territories under the former Soviet Union. In fact, however, the policy is aimed at instigating some participants in the conflicts to oppose other participants and also aimed at instigating them to oppose Moscow together to accomplish the undertaking which Reagan and Bush started but could not accomplish: the total disruption of the already unstable situation in Russia. However, THE MOSCOW NEWS weekly, called Russia's "enlightened" and "pro-Western" magazine by U.S. press, pointed out: "What attracts people's attention is the tough tone and arrogant attitude of the outline of the U.S. policy. In fact, it has fixed the position and boundary for Russia in no other place than within the Commonwealth of Independent States." "The authors of the policy outline should pay more attention to these facts: To Russia, the CIS is not only an ordinary region but also a region of geographical strategic importance, economic interests, and other special interests." "The idea of squeezing out Russia from this region will not succeed, and policy of ultimatum will

be of no avail." A dispatch from Moscow filed on 29 August by a reporter from THE NEW YORK TIMES said: "In Moscow the reaction to the U.S. President's order has fanned nationalist sentiments." "This makes people think that the Cold War has returned."

According to a report by the EXTERNAL AFFAIRS REPORTS weekly of the United Kingdom: The killing of Woodruff, a special agent of the CIA of the United States in Georgia, has caused the latent tensions between the United States and Russia to stick out. This happened during the visit in Moscow of CIA Director Woolsey. It seems like a signal to the United States, saying it should not step into Russia's sphere of influence. The Americans reacted to the killing. Woolsey did not deny that the person killed in Georgia was his agent. He took a special plane to the capital of Georgia and shipped back the corpse. "This was an abnormal political event." According to a prediction by this weekly, "Russia's relations with the West will become tense this year," and "there is no doubt that the period of East-West cooperation has come to an end."

With the disintegration of the Soviet Union, the United States has become the sole superpower in the world, but Russia is also a power not to be ignored. The leaders of the two countries have declared that the two countries should establish a "partnership relationship." Continued observation is required to see how U.S.- Russian relations will develop and change.

## United States & Canada

### Daily on U.S. 'Responsibility' for Taiwan Issue

HK2309132293 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 38, 20 Sep 93 pp 22, 23

[Article by Shen Li (3947 0500): "The Taiwan Issue and the U.S. Government's Responsibility"]

[Text] The white paper entitled "The Taiwan Issue and China's Reunification" is an important Chinese Government policy document on the Taiwan issue. For the first time, the "white paper" systematically explains the origin and present state of the Taiwan issue and the consistent policy and principle of the Chinese Government on a peaceful settlement of the Taiwan issue, on achieving the country's reunification, and on handling matters involving the Taiwan issue in international affairs. This once again indicates the Chinese Government's determination to peacefully resolve the Taiwan issue and achieve the country's reunification.

The Taiwan issue has remained unresolved, so far, because of internal factors in China, but a more important cause has been the interference by some international forces.

**Historical Background on the Taiwan Issue's Emergence**

During the War of Resistance Against Japanese Aggression, promoted by the country's patriotic forces and the CPC, the Kuomintang [KMT] and the Communist Party formed a national united front against Japanese imperialist aggression. After eight years of arduous resistance, the Chinese people scored the final victory in the War of Resistance Against Japanese Aggression. They eagerly hoped for peace, democracy, and unity for the country's construction. In compliance with this demand and wish, the CPC sent Mao Zedong, Zhou Enlai, and Wang Ruofei to Chongqing for discussions with Chiang Kai-shek on building the country peacefully and in unity. Through negotiations, the two parties signed a "Summary of Talks" (also known as the "Double 10 Agreement") on 10 October 1945. But the Chiang Kai-shek regime of the KMT had already laid down a civil war policy. Relying on U.S. support, he disregarded the entire Chinese people's eager wish for peace and for building an independent, democratic, and strong New China; tore up the "Double 10 Agreement"; and waged a nationwide, antipopular civil war. Under the leadership of the CPC, the Chinese people were forced to carry out a People's Liberation War, which lasted for three years. The Chiang Kai-shek regime was condemned by the people of all nationalities throughout the country for its perversity. Finally, the Chinese people overthrew the government of the "Republic of China" in Nanjing and some of the remaining forces of the Chiang Kai-shek regime withdrew to Taiwan.

After World War II, Taiwan was returned to China from the hands of the Japanese imperialists. On this point, the "white paper" explicitly points out that Taiwan "has been returned to China not only legally but also factually." The U.S. Government recognized this fact. On 5 January 1950, U.S. President Truman issued the following statement: "...in the past four years, the United States and its allies have also recognized that China has sovereignty over the island." Why did the Taiwan issue subsequently crop up? Because the U.S. Government changed its attitude toward Taiwan.

After World War II, when the Eastern and Western blocs were confronting each other, the U.S. Government, pursuing a global strategy, implemented a policy of: Turning China into its dependency, supporting Chiang Kai-shek against the CPC, and meddling in the Chinese Civil War. It spared no effort in providing money, guns, and personnel for the Chiang Kai-shek regime to wage a civil war and to prevent the Chinese people from making revolution. According to statistics, during the entire civil war, the U.S. Government dispatched more than 100,000 naval, land, and air force personnel to China to help the Chiang Kai-shek regime occupy strategic strongholds and transport millions of its troops to the civil war front line. The United States also continuously equipped 166 divisions of the KMT army, 757 of its air and naval forces vessels, and 1,720 planes. The military aid and money provided totaled over \$6 billion.

Instead of achieving its goal, this U.S. Government practice caused only stronger resistance on the part of the Chinese people. In 1949, the KMT regime was overthrown by the Chinese people, marking the U.S. Government's thorough failure in supporting Chiang Kai-shek against the CPC and in meddling in the Chinese Civil War. The "white paper" quoted the then U.S. Secretary of State Acheson's remarks contained in his letter to President Truman. His remarks exactly explained this point.

The PRC was founded on 1 October 1949. Logically speaking, the then U.S. Government could have pulled itself out of the Chinese Civil War but did not. Instead, it insisted on being hostile to the Chinese people. Regardless of the basic principle of the UN Charter and the commonly recognized international norms, in June 1950 it wantonly dispatched troops to invade China's Taiwan Island and the Taiwan Strait area, using armed forces to harbor the Chiang Kai-shek regime which had fled to Taiwan after defeat and preventing the Chinese People's Liberation Army from liberating Taiwan, thus undermining China's reunification. When invading Korea, it announced it would step up its efforts to interfere in Indochina. Apart from supporting French colonialists in suppressing the Indochinese people, the U.S. practice also constituted a major threat to the security of China's southern borders. Thus, the United States threatened China from Korea, Taiwan, and Indochina, in an attempt to strangle New China in the cradle. Facing this grim situation, the Chinese Government and people had no alternative but to make a major decision to resist U.S. aggression by aiding Korea and opposing U.S. interference in Taiwan. It conducted a severe trial of strength against the United States.

The U.S. Government practice of separating Taiwan from the Chinese mainland and of preventing China's reunification caused a prolonged confrontation and tense situation in the Taiwan Strait area. This is why the so-called Taiwan issue has emerged and is also where the major dispute between China and the United States has lain for long.

**Chinese-U.S. Ambassador-Level Talks**

To alleviate the tense situation in the Taiwan Strait area and seek ways of resolving the Sino-U.S. dispute, in the mid-1950's the Chinese Government began to make a strict distinction between the internal and external aspects of the Taiwan issue, hoping to peacefully resolve the Sino-U.S. dispute through diplomatic channels. Because China made major efforts to urge the United States to talk and an increasing number of countries requested it to respond, on 13 July 1955 the United States raised a proposal to China, through the United Kingdom, that the United States and China each send an ambassador-level representative to hold a meeting in Geneva. After consultations, China and the United States decided to upgrade their consular-level talks which had proceeded for almost a year in Geneva to ambassadorial-level talks.

As soon as the Sino-U.S. ambassador-level talks started, the Chinese representative clarified China's stand and raised all kinds of reasonable programs with an attitude of consultation and conciliation. But the U.S. side had no sincerity for talks and insisted on interfering in China's internal affairs regarding the Taiwan issue. It obstinately refused to discuss the crucial points of the Chinese side's proposals; namely, discussing how to resolve the problem of relaxing and removing the tense situation in the Taiwan Strait area.

Being unable to fulfill its objective to create "two Chinas" at the negotiations table, the U.S. Government began to carry out warlike provocations against China in the Taiwan Strait in July 1958. This objective, and the aggressive actions of the U.S. Government, caused great anxiety for its allies, apart from being firmly opposed by the Chinese Government and people, and did not enjoy popular support even in the United States. Finally, the attempt failed.

Subsequently, the Sino-U.S. ambassador-level talks continued until February 1970, lasting for 15 years and holding 136 meetings but, because the United States insisted on interfering in China internal affairs, the talks did not make any progress on alleviating and removing the tense situation in the Taiwan Strait area; only an agreement was reached on civilians from both sides returning to their own countries.

#### **Advance and Retreat of U.S. Attitude on the Taiwan Issue**

Between the late 1960's and the early 1970's, following the development of the international situation and because China was growing strong, the United States began to adjust its China policy and the relations between the two countries began to gradually unfreeze.

In February 1972, U.S. President Nixon visited China and China and the United States issued a "Joint Communiqué" in Shanghai (called the "Shanghai Communiqué" for short). The promulgation of the "Shanghai Communiqué" indicated the beginning of normalization of relations between the two countries. It also laid a foundation for the establishment of diplomatic relations.

From President Nixon's China visit to the end of 1978, China and the United States held prolonged talks during which the United States accepted three principles proposed by China for establishing diplomatic relations, namely: The United States should "break off diplomatic relations" with Taiwan, the "Common Defense Treaty" should be abolished, and the United States should withdraw its troops from Taiwan. On 1 January 1979, China and the United States formally established diplomatic relations. The joint communiqué on the establishment of Sino-U.S. diplomatic relations states: "The United States of America recognizes the People's Republic of China as the sole legitimate government of China. Within this scope, the United States will maintain cultural, commercial, and other nonofficial relations with Taiwan"; "the Government of the United States of

America acknowledges China's stand, namely there is only one China and Taiwan is a part of China." In this way, the communiqué thoroughly refutes that "Taiwan's position has not been decided." This was the second communiqué guiding Sino-U.S. relations subsequent to the "Shanghai Communiqué." The U.S. Government made a major step forward in its attitude on the Taiwan issue.

The establishment of Sino-U.S. diplomatic relations provided an opportunity for the United States, an opportunity which it could have used to develop Sino-U.S. relations to a new stage by freeing itself from the bonds of the Taiwan issue.

Regrettably, however, less than three months after the establishment of Sino-U.S. diplomatic relations, the U.S. Congress, violating the principles on the establishment of Sino-U.S. diplomatic relations, ratified the "Law on Relations With Taiwan," which later came into force when the U.S. President signed it. This law maintained what it called "grave concern" for the future, security, as well as the social and economic systems of Taiwan, which all fall within the category of Chinese sovereignty. It provided that the United States would continue to sell weapons to Taiwan. This violated not only the agreement on the establishment of Sino-U.S. diplomatic relations but also international norms. It was actually an expression of the wish to continue to interfere in China's internal affairs and to prevent the reunification of Taiwan with the mainland. This was a retrogression in principles on the establishment of diplomatic relations.

To resolve the problem of U.S. arms sales to Taiwan, the Chinese and U.S. Governments reached an agreement on 17 August 1982 after talks, producing the third joint communiqué on Sino-U.S. relations (called the "17 August Communiqué" for short). The communiqué clarified the direction and principles on resolving the problem of arms sales to Taiwan. However, during the past more than 10 years, the U.S. Government has repeatedly violated the communiqué instead of implementing its provisions. What is even more serious is that, in September 1992, the U.S. Government went so far as to decide to selling 150 F-16 fighter planes to Taiwan. This U.S. Government decision not only trampled on the "17 August Communiqué" but also added to the obstacles and difficulties in developing Sino-U.S. relations and resolving the Taiwan issue.

Thus it can be seen that the U.S. Government is responsible for the Taiwan issue, which has so far remained unresolved. The Taiwan issue is one left over from history. The earlier the U.S. Government lays down this burden, the earlier it will gain the initiative. Otherwise, the Taiwan issue will remain the main obstacle to the steady development of relations. China and the United States are two big influential countries in the world. Maintaining and developing steady, cooperative relations between the two countries not only corresponds with the long-term interests and common wishes of their people but also has a major influence on world peace and



stability. Therefore, we should stand high and see far in handling the relations between the two countries. The U.S. and Chinese people are friendly. Many Chinese and U.S. officials and civilians have done a great deal of useful work in improving relations and finding a solution to the Taiwan issue. The above three communiqués were the results of common efforts made by people in all circles, including the U.S. people and friendly personalities in the United States. We firmly believe that they will continue to make contributions to improving and developing Sino-U.S. relations. Following the settlement of the Taiwan issue, Chinese-U.S. relations will also develop along a healthy road.

### Central Eurasia

#### Reportage on Political Situation in Russia

##### Military Phone Links 'Cut'

OW2309152493 Beijing XINHUA in English 1447  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—Telephone lines linking the Russian Defense Ministry, the General Staff and other military units have been cut, Russian television announced without explanation today.

The Russian Government has ordered Interior Ministry troops and other security forces to increase their presence in streets and public places throughout Russia to ensure public order.

A government order, signed yesterday by Prime Minister Viktor Chernomyrdin, instructed the Interior Ministry to take maximum security measures.

##### Armed Forces 'Support' Ministry

OW2309162893 Beijing XINHUA in English 1508  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—Defense Minister Pavel Grachev announced here today that the Russian armed forces "fully support" his ministry's position in the current political crisis.

Grachev told a press conference after a ministry meeting that no military leaders recognized the parliament-appointed Defense Minister Col. Gen. Vladislav Achalov.

He noted that so far, "no harmful changes have occurred" within the armed forces.

On Tuesday [21 September], President Yeltsin issued a decree dissolving parliament. The parliament responded immediately by declaring that it would impeach Yeltsin and appointing Vice-President Aleksandr Rutskoy as acting president and Achalov as defense minister.

Yesterday Grachev said that the leadership of the Defense Ministry were reluctant to submit to the parliament which had been dissolved under the presidential

decree. He also accompanied Yeltsin to the downtown streets of Moscow to meet residents on the day.

Grachev today admitted that the Russian armed forces still "sustain psychological pressure" because currently some people are "actively instigating the splitting of the armed forces and called on them to go to safeguard the parliament building".

That violated the constitution of Russia, he added.

Parliament's supporters are reportedly in the parliament building to make preparation for seizing the headquarters of the Defense Ministry and the General Staff, and the Defense Ministry is also said to have taken all necessary preventive measures.

#### Rutskoy on Elections

OW2309163093 Beijing XINHUA in English 1533  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA) - Russian Vice-President Aleksandr Rutskoy said here today that he favored simultaneous presidential and parliamentary elections.

Rutskoy, who was appointed acting president by parliament following President Boris Yeltsin's announcement on Tuesday [21 September] dissolving parliament and calling legislative elections for December 11-12, today issued a statement urging simultaneous elections.

Meanwhile, President Boris Yeltsin today rejected simultaneous general and presidential elections and issued a decree, in which Yeltsin set presidential elections for June 12, 1994, two years ahead of schedule.

"I have never been in favor of organizing simultaneous elections and still i am not," Yeltsin said on Russian television.

"That we must not do because it would create a power vacuum in the country for a certain time and that would be dangerous. We are talking about the security of Russia," he added.

#### 'Roundup' on Government's Security Measures

OW2309163293 Beijing XINHUA in English 1541  
GMT 23 Sep 93

["Roundup": "Yeltsin Gains More Support, Reinforces Security"]

[Text] Moscow, September 23 (XINHUA)—The Russian Government has ordered Interior Ministry troops and other security forces to increase their presence in streets and public places throughout Russia to ensure public order, ITAR-TASS reported today.

A government order signed by Prime Minister Viktor Chernomyrdin on Wednesday [22 September] also said



that civilian "volunteers" to be paid by the Interior Ministry should be employed in supplementary patrols, the report said.

The government order was issued after the Russian parliament dissolved by President Boris Yeltsin on Tuesday are reportedly preparing to make an armed assault on the buildings of the Defense Ministry and the General Staff of the Armed Forces.

ITAR-TASS quoted the Army's press service as saying that the ministry had information that Yeltsin's opponents in parliament's White House headquarters were plotting to seize the ministry building and the neighboring General Staff Headquarters in central Moscow.

"In view of this, all measures including armed measures, have been taken to counter "any provocation including an armed provocation," it said [quotation marks as received].

Russian television reported earlier that all telephone lines to the buildings of the ministry and the General Staff had been cut off.

But Defense Ministry officials said the shutdown was caused by a technical failure.

Government and other telephones at the parliament building have been cut by authorities loyal to Yeltsin.

In another development, Yeltsin announced today that presidential elections are to be held next June 12.

In a decree, Yeltsin proposed that the federal assembly, to emerge from the snap general election he called for December 11 and 12, adopt a law on presidential elections before next February 1.

He rejected calls for simultaneous presidential and parliamentary elections made by his rival Vice President Aleksandr Rutskoy, stating that such a vote would "cause a power vacuum and that would be dangerous."

As a further sign of growing support for Yeltsin, parliament Vice Speaker Nikolay Ryabov resigned today to protest what he called "the strategy of confrontation of the parliamentary leadership."

"The only (viable) issue is a new legislative body through elections and holding presidential elections," Ryabov told the parliament.

ITAR-TASS cited reliable presidential sources as saying that Ryabov is to be named to head the electoral commission to prepare new legislative elections called by Yeltsin.

The head of the Parliamentary Committee on Defense and Security, General Sergey Stepashin, said earlier he was resigning.

The two resignations showed splits among the parliament's leadership.

Meanwhile, the government took control Thursday of all assets and buildings of the parliament in a decree issued by Yeltsin.

"The assets of parliament, including reserves in rubles and foreign currency, buildings and all other property" passes under the management of the presidential administration, said the decree.

As the Russian political crisis worsens, the Russian ruble plunged 18 percent overnight against the U.S. dollar to a new all-time low of 1,299 from 1,102 the day before.

Anti-Yeltsin leaders remained holed up today in the barricaded parliament building with a few hundred supporters standing guard outside. Small bands of supporters were forming self-defense units outside the building and a handful were armed with assault rifles.

Life again appeared normal Thursday in Moscow and other major cities, with people going about their routines despite the political crisis.

A public opinion poll in Moscow showed 51 percent of respondents supported Yeltsin and 25 percent opposed him. Nearly a quarter of those polled either had not heard about Yeltsin's decree or had no opinion. The poll by the All-Russia Center of Public Opinion Research had a 3 percent margin of error.

#### **Ryabov Named Legislative Leader**

OW2309163393 Beijing XINHUA in English 1620  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—Nikolay Ryabov, at the request of Russian President Boris Yeltsin, here today agree to serve as chairman of the Central Elections Committee of the conference of the Russian Federation, Russia's new legislature.

Ryabov today proposed to resign as vice-chairman of the Russian Supreme Soviet and his resignation was accepted.

According to the presidential decree signed by Yeltsin on Tuesday [21 September], after the dismissal of the parliament, a conference of the Russian Federation will be held on December 11-12.

#### **Government Takes Over Media**

OW2309204093 Beijing XINHUA in English 1824  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—The Russian Government has taken control of several publications and a radio and television program that were controlled until now by the parliament, the INTERFAX news agency reported on Thursday [23 September].

Prime Minister Viktor Chernomyrdin issued an order saying that a newspaper, a magazine, a radio-television program and a publishing house formerly controlled by the parliament have been taken over by the government.

**People Attack CIS Forces Headquarters**

OW2309203993 Beijing XINHUA in English 1932  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—A group of armed people today tried to break into the headquarters of the General Command of the United Commonwealth of Independent States (CIS) armed forces, ITAR-TASS news agency reported quoting military sources.

The report said guards at the building and police clashed with the group, and two policemen were injured during the clash.

So far nothing has been reported about the identity of the attackers.

**Government Plans Power Structure**

OW2309204593 Beijing XINHUA in English 2028  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—Russia has begun to apply the new federal power structure clauses in the transitional period which were declared by President Boris Yeltsin on September 21, the ITAR-TASS news agency reported.

The new Russian federal power structure will take the form of a new federal assembly, which is the new legislature and consists of a Federal Council, which equals to an upper house, and a National Duma, which equals to a lower house.

The Federal Council will consist of representatives of legislatures and administrative leaders of individual federal states, while the December legislative election, as has been envisaged by Yeltsin, will elect a National Duma.

The functions of the Federal Council include determining the date of presidential election, deciding the use of Russia's armed forces at home and abroad, and ratifying border changes between different federal states.

The next comes the State Duma Election Clause, according to the decree by Yeltsin. The functions of the duma includes nominating the prime minister, deciding confidence issues about the cabinet, and passing federal laws.

The duma will be made up with 400 deputies, with 270 of them to be produced from local constituencies and 130 from federal constituencies. Each deputy must be backed with the support of at least 20,000 voters.

On December 21, Yeltsin decided to stop the functions of the existing parliament, or the Congress of People's Deputies, and called for a legislative election on December 11-12 to elect a national Duma. The Federal Council has already come into being this week.

**Congress Impeaches Yeltsin**

OW2309222893 Beijing XINHUA in English 2204  
GMT 23 Sep 93

[Text] Moscow, September 23 (XINHUA)—The Russian Congress of People's Deputies today voted by 636 to 2 to impeach President Boris Yeltsin at an emergency session held in the barricaded parliament building, parliament sources announced.

The parliament also elected Vice-President Aleksandr Rutskoy as president with a 635-to-3 voting, said the sources.

Yeltsin earlier today has deprived the parliament of its radio- television programs and a number of publications to stop it from announcing its own decisions.

Meanwhile, a group of unidentified armed people had a brief gun battle with security forces outside the headquarters of the united armed forces of the Commonwealth of Independent State.

Yeltsin announced that a presidential election will be held in June next year.

**Votes To Strip Yeltsin of Power**

OW2409105993 Beijing XINHUA in English 0809  
GMT 24 Sep 93

[Text] September 24 (XINHUA)—Russian Congress of People's Deputies (parliament) today passed a resolution stripping President Boris Yeltsin of all presidential powers.

After an all-night emergency session, the parliament said early this morning that the decision was based on the country's existing Constitution and a ruling made by the Constitutional Court that Yeltsin violated the Constitution by dissolving the parliament on September 21.

Responding to Yeltsin's call on Tuesday for elections for a new two-chamber legislature in December, the resolution said that presidential and parliamentary elections should be held simultaneously.

The parliament also instructed the procurator-general and the security and interior ministers to take every measure against those who plot or join the "coup d'etat".

Viktor Baranikov, the parliament-assigned minister of security, declared that nobody in the Defense Ministry supports Yeltsin's decree and will act only according to the Constitution and laws.

Vladislav Achalov, the parliament-assigned defense minister, said that there is no need at present to call out troops and tanks to guard the parliamentary building. But "the troops will come here immediately if we give the order", he added.

### Yeltsin Orders Change of Guard

OW2409112893 Beijing XINHUA in English 1042  
GMT 24 Sep 93

[Text] Moscow, September 24 (XINHUA)—Russian President Boris Yeltsin today ordered the Interior Ministry to take over the security of the parliament building and disarm its security guards.

Under the order, the Interior Ministry was authorized to guard the parliamentary building and the equipment in it.

Yeltsin also ordered the ministry to sort out the list of the firearms given to the parliament guards.

The president urged the Defense and Interior Ministries to immediately take measures to disarm the guards of the rival parliament.

Since late night in September 21, Russians supporting the parliament have built road blocks outside the parliamentary building and armed themselves with stones and bricks.

It was speculated that the parliamentary guards had distributed weapons to those volunteers guarding the building, known as the "White House", reports said.

The Supreme Soviet (parliament) is holding its 10th extraordinary session in the "White House".

Yeltsin also signed an order removing and appointing the high-ranking officers of the country's security institutions, frontier guards and armed forces.

### Further on Developments

OW2409110193 Beijing XINHUA Domestic Service in Chinese 0548 GMT 24 Sep 93

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Moscow, 23 Sep (XINHUA)—The 10th extraordinary session of the Congress of People's Deputies of Russia began in the parliament building here tonight.

The meeting was attended by 638 deputies, which constituted a quorum. The only item on the agenda was discussion on Russia's current political situation.

Khasbulatov, chairman of the Supreme Soviet, delivered a lengthy speech at the meeting, explaining his position on President Yeltsin's 21 September order to terminate the functions of the parliament and the Congress of People's Deputies.

The meeting approved, with an overwhelming majority of votes, the Supreme Soviet's 21 September appointment of Rutskoy as acting president. Rutskoy spoke at the meeting, emphasizing the necessity to elect a new president and parliament simultaneously ahead of schedule.

On the same day, the Russian Government issued a statement calling on the people to "abandon confrontation with the president."

### Northeast Asia

### Wu Yi Holds Talks With ROK Trade Minister

HK2309112593 Beijing GUOJI SHANGBAO in Chinese 7 Sep 93 p 1

[Report by reporter Wang Yixia (3769 0181 1115): "MOFTEC Minister Wu Yi Discusses PRC-ROK Economic and Trade Relations"]

[Text] On 3 September, while holding talks with Kim Chol-su, ROK minister of trade and industry, who was visiting Beijing, Wu Yi, minister of the Ministry of Foreign Trade and Economic Cooperation [MOFTEC], said that there was a favorable trend of development in trade and economic cooperation between China and the ROK, but many problems still urgently need solution.

Minister Wu Yi said: In the past year since China and ROK established diplomatic relations, trade and economic cooperation between the two countries has shown a positive trend of development, and we are satisfied with the situation. Last year, the total volume of trade between China and the ROK reached \$5.06 billion. China's exports to the ROK increased by 11.8 percent, and China's imports from the ROK increased by 146 percent. In the first half of this year, the volume of bilateral trade reached \$3.107 billion, an increase of 54 percent over the same period of last year. The volume of China's exports to the ROK was only \$1.101 billion, however, down by 3.4 percent as compared with the same period of last year. China's imports from the ROK reached \$2.006 billion, up 129 percent. ROK investment in China increased rapidly. By the end of March 1993, a total of 1,220 ROK investment projects in China had been approved, and the amount of investment involved in the agreements reached \$821 million. The investment which had actually been made totaled \$200 million.

Wu Yi said: While trade and economic cooperation between the two countries are developing healthily, many problems still exist and have yet to be solved. Last year, China had a \$180 million trade deficit against the ROK; in the first half of this year, the trade deficit for China increased to \$906 million. It seems that the trade deficit for China is still increasing. This is attributable to many factors, but some policies and measures pursued by the ROK side have affected China's exports. In trade, the ROK adopted various restrictive measures against China's exports. Specifically, the ROK imposes regulatory taxes on 37 types of Chinese commodities and imposes antidumping taxes on phosphoric acid exported by China. This has had negative effects on the development of bilateral trade. The Chinese Government maintains that the ROK's practice is inadvisable and hopes that the ROK Government will set great store by the overall interests and will not do something only to seek



minor benefit at the expense of major interests and thus affect the further development of PRC-ROK trade. At the same time, we also hope that the relevant ROK government departments and business circles will correctly treat the prices of the Chinese commodities. For this, Wu Yi put forth a four-point proposal to the ROK side: rescinding restrictive measures; increasing import quotas for China's traditional export commodities; increasing imports of Chinese manufactured goods and electrical-mechanical products; and opening the meat and rice market to China.

When talking about ROK investment in China, Wu Yi said: There are more than 1,000 ROK investment projects in China; while the number of investment projects is not small, the amount of investment remains rather modest. The investment projects are mostly labor-intensive and processing enterprises. This has also resulted in the slow arrival of investment funds. Some large business companies in the ROK are still holding a wait-and-see attitude toward investment in China. Wu Yi said: China and the ROK are close neighboring countries. We welcome the ROK's moves to increase cooperation with China in launching capital-intensive and technology-intensive projects. We welcome large ROK companies to make investment in China.

In the talks, Kim Chol-su said that, in order to further advance ROK-China trade and economic cooperation, the ROK and Chinese Governments should try to solve problems obstructing the development of bilateral trade as soon as possible, including the problems caused by the nontariff barriers between the two countries, and to increase the transparency of trade between the two countries. Kim Chol-su said that the ROK Government will do its best to eliminate the problems causing the trade deficit on the Chinese side. In mid-September this year, a purchasing team from the ROK Trade Association will visit China and will purchase 43 commodities.

After the end of the talks, Wu Yi and Kim Chol-su signed the summary of the PRC-ROK economic and trade talks.

#### **NPC Vice Chairman Receives ROK Guests**

*OW2409051393 Beijing XINHUA in English 0348  
GMT 24 Sep 93*

[Text] Beijing, September 24 (XINHUA)—Wang Guangying, vice-chairman of the Chinese National People's Congress Standing Committee, met and had a cordial, friendly talk with Pak Song-yong, president of the Republic of Korea (ROK)-China Friendship Association, and his party here this morning.

Zhu Muzhi, president of the China-ROK Friendship Association, was present on the occasion.

Park and his party arrived here yesterday at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

### **Southeast Asia & Pacific**

#### **NPC Official Fetes Indonesian Trade Unionists**

*OW2309134193 Beijing XINHUA in English 1313  
GMT 23 Sep 93*

[Text] Beijing, September 23 (XINHUA)—Ni Zhifu, vice-chairman of China's National People's Congress Standing Committee, met here this evening with a delegation from the national trade unions of Indonesia led by Djoko Daulat, chairman of its central committee.

After briefing the visitors on China's present situation, Ni, also president of the All-China Federation of Trade Unions, said the federation is going all-out to prepare for the 12th national congress of China's trade unions.

He said that the meeting, scheduled to be held late next month, will sum up the trade unions' past work and decide on their future tasks, examine the financial report, discuss reforms and elect new leaders of the organization.

Referring to the relationship between the trade unions of the two countries, Ni said China and Indonesia belonging to the Third World can strengthen cooperation in the economic field, especially in safeguarding the rights and interests of the workers.

He said it is China's consistent view that it is imperative to establish a new order for the international workers' movement on the basis of independence, equality, mutual respect and non-interference in each other's internal affairs.

He said countries may differ in their national conditions, and they should therefore set up their own trade union in accordance with their own national conditions.

Daulat gave an account of the tasks of Indonesia's trade unions. He expressed his support for China's stand on the establishment of a new order for the international workers' movement.

Later Ni gave a dinner in honor of the Indonesian visitors.

After their arrival in Beijing on Wednesday [22 September] as guests of the All-China Federation of Trade Unions, Daulat and his party held talks with Wang Houde, vice-president of the host federation.

#### **Sihanouk Signs New Cambodian Constitution**

*OW2409091493 Beijing XINHUA in English 0735  
GMT 24 Sep 93*

[Text] Phnom Penh, September 24 (XINHUA)—Cambodian Head of State Prince Norodom Sihanouk signed the new Cambodian Constitution at the royal palace this morning.

Speaking at the signing ceremony attended by members of the assembly, officials of the U.N. Transitional

Authority in Cambodia and diplomats from various countries, Sihanouk said that from now on the Cambodian people will be the permanent masters of their national territory and state power.

"Today is a great historical day for the state of Cambodia," he added.

The new Constitution, which was adopted at the plenary session of the Constituent Assembly on September 21 and came into effect today, restores Cambodia's monarchy and Sihanouk will become crowned king.

#### **Announces State as Kingdom**

OW2409095993 Beijing XINHUA in English 0935  
GMT 24 Sep 93

[Text] Phnom Penh, September 24 (XINHUA)—Cambodian Head of State Prince Norodom Sihanouk announced that his country Cambodia will be a kingdom as of today.

Prince Sihanouk made the announcement at a mass rally held in front of the Royal Palace to celebrate the signing of the new Cambodian Constitution.

This morning, Sihanouk signed the new Constitution adopted at a plenary session of the Constituent Assembly on September 21.

The Constituent Assembly has transferred into a National Assembly and the new Constitution has taken effect as of today, Sihanouk declared.

Sihanouk said Cambodia, which was a prosperous kingdom during the Angkor times, had been honored with the title of "peaceful island" since it won independence from France in 1953.

After experiencing a lot of sufferings, he said, the Cambodian people now have possessed the most widespread, freest and most democratic Constitution.

He noted that Cambodia will become a developing country boasting of liberty, democracy and justice. It will also be a non-aligned, neutral and friendly nation, he added.

From now on, he said, the Cambodian people will protect peace, rehabilitate and reconstruct their national economy in conformity with the new Constitution.

President of the Constituent Assembly Son Sann, Co-president of the Provisional National Government Prince Norodom Ranariddh and President of the U.N. Transitional Authority in Cambodia Yasushi Akashi also spoke at the rally.

#### **West Europe**

##### **Wu Yi, Klaus Kinkel Sign Accord in Germany**

OW2309132993 Beijing XINHUA in English 1308  
GMT 23 Sep 93

[Text] Bonn, September 23 (XINHUA)—Visiting Chinese Minister for Foreign Trade and Economic Cooperation Wu Yi and German Foreign Minister Klaus Kinkel signed a 1993 Sino-German financial cooperation accord here today.

During their meeting, the two ministers also exchanged views on international issues of mutual concern.

Wu arrived here Wednesday [22 September] on a five-day visit to Germany. During her stay, she has met with German Minister of Economics Guenter Rexrodt and signed 15 contracts in the fields of metallurgy, chemistry, chemical fertilizer and navigation with a total amount of 850 million U.S. dollars.

Wu is expected to fly to Munich later today to continue her visit to this country.

##### **NPC's Wang Receives Netherlands Delegation**

OW2409114493 Beijing XINHUA in English 1059  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—Wang Guangying, vice-chairman of the Standing Committee of China's National People's Congress, met here this afternoon with a senior-level Dutch financial delegation headed by Harry Groen, chairman of the managing board of the holding company of the NCM Credit Insurance Group of Holland.

The Dutch guests arrived in Beijing this morning at the invitation of the Chinese People's Association for Friendship With Foreign Countries to gather more information about China's policies on using foreign investment, its foreign-funded enterprises and economic reform and development.

##### **NPC's Chen Muhua Receives Belgian Judges**

OW2409085393 Beijing XINHUA in English 0820  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of China's National People's Congress (NPC), met with a Belgium delegation headed by Oscar Stranard, president of the Supreme Court, here this afternoon.

The visitors arrived in Beijing Tuesday [21 September] as guest of China's Supreme People's Court.

**Report on Belgian Telecommunications Venture**

OW2409084893 Beijing XINHUA in English 0622  
GMT 24 Sep 93

[Text] Shanghai, September 24 (XINHUA)—The Shanghai Bell Telephone Equipment Manufacturing Co. Ltd, a Sino-Belgian joint venture, has taken the lead in China's telecommunications manufacturing sector after years of effort.

Since 1983, when the corporation started its business in Shanghai, China's largest economic center, the sales of its products have come to dominate more than one half of the domestic market.

According to statistics, the corporation produced telephone exchanges with a combined capacity of 1.42 million lines in 1992, and sold 1.3 billion yuan worth of products, almost double the previous year's figure.

The corporation has been among the country's top 10 joint ventures for four years.

The general manager of the Bell Corporation of Belgium, Degraeve, said that such rapid development had been beyond his expectations.

He attributed the success to close co-operation between the Chinese Corporation of Posts and Telecommunications Technology and the Bell Company.

Belgium has lent a hand by issuing preferential loans to the corporation, which helped it survive a tough initial period.

The joint venture has been profitable since 1989.

Degraeve said the Chinese Mainland's modernization has provided the best opportunity for foreign advanced technology to enter its market.

He disclosed that the corporation will invest 170 million U.S. dollars in the Pudong New Area in Shanghai to develop its third-generation products, in order to secure the leading position in the Chinese market.

According to a survey report, Shanghai has licensed 5,000 overseas-funded enterprises since 1979. Of the 2,400 companies which have gone into operation, 90 percent have made profits.

**Friendship Delegation Visits San Marino**

OW2409051493 Beijing XINHUA in English 0348  
GMT 24 Sep 93

[Text] Rome, September 23 (XINHUA)—San Marino leaders noted today that friendly relations between their nation and China would contribute to the world peace.

Salvatore Tonelli and Patricia Busignani, heads of state of San Marino, told Chinese guest Han Xu that their nation attached great importance to the growth of the friendship with China and they were pleased to see the development of the relations in the past years.

Han, president of the Chinese People's Association for Friendship With Foreign Countries and head of the Committee of Foreign Affairs under the Chinese People's Political Consultative Conference, arrived yesterday for a visit to San Marino.

In their meeting today, the two sides exchanged views on the enhancement of the ties between the two countries.

**Heilongjiang Imports Spanish Telephone Exchanges**

SK2209133093 Harbin HEILONGJIANG RIBAO in  
Chinese 5 Sep 93 p 1

[By reporter Chen Yan (7115 1484): "Capacity of Local Calls in 20 Cities (Counties) To Be Expanded"]

[Text] To accelerate the construction of the communications infrastructure, the province has decided to again import 215,000 channels of program-controlled telephone exchanges and 20,000 terminals of long-distance exchanges from Spain to increase the communications capacity of 20 cities and counties, including Qiqihar and Mudanjiang. On 4 September, the supplying and receiving sides held a ceremony in Harbin to sign the order contract.

In recent years, along with the accelerated pace of opening up in various localities, the demand for postal and telecommunications facilities of various circles in society has increased swiftly and dramatically. It has been learned that since 1991, Qiqihar, Mudanjiang, and 18 other cities and counties have opened 250,000 channels of program-controlled telephone exchanges. However, not long after it, the capacity of the facilities of these cities and counties have been used up basically, and many cities and counties have had no numbers to give out. Therefore, the provincial postal and telecommunications departments have decided to use \$40 million in the discount loans of Spain to import 215,000 channels of the S1240-type program-controlled telephone exchanges and 20,000 terminals of long-distance telephone exchanges produced by (Xisa) Corporation in Spain.

These 215,000 channels of program-controlled telephone exchanges will be installed next year in Qiqihar, Mudanjiang, Jiamusi, Daqing, Jixi, Shuangyashan, Qitaihe, Hegang, Suihua, Yichun, Jigdaqi, Heihe, Acheng, Shangzhi, Anda, Mishan, Shuangcheng, Zhaodong, Hailin, and Fujin cities and counties.

Vice Governor Cong Fukui attended the signing ceremony and made a speech.

**East Europe**

**Luo Gan Receives Romanian Journalist Delegation**

*OW2009142193 Beijing XINHUA in English 1409  
GMT 20 Sep 93*

[Text] Beijing, September 20 (XINHUA)—Luo Gan, Chinese state councillor, met here today with a Romanian journalists delegation headed by Valeria Georgescu, director of the Romanian Presidential Press Office.

The delegation, which has come to visit China at the invitation of the Information Office of the State Council, has already toured Shenzhen in south China's Guangdong Province and Shanghai, China's largest industrial city.

**Friendship Delegation Visits Yugoslav President**

*OW2309140093 Beijing XINHUA in English 1348  
GMT 23 Sep 93*

[Text] Belgrade, September 23 (XINHUA)—The president of the Federal Republic of Yugoslavia, Zoran Lilic, met here today with a visiting delegation of the Chinese People's Association of Friendship With Foreign Countries headed by its vice-president, Chen Haosu.

During the meeting, Lilic said that he hoped to further develop his country's relations and cooperation with China.

The Yugoslav president also expressed thanks for the efforts that China had made in seeking a peaceful and fair settlement of the Yugoslav crisis.

The Chinese delegation is expected to visit other republics in former Yugoslavia, returning home on September 26.



**Political & Social****Luo Gan on Government Legislation for Market Economy***OW2309143193 Beijing XINHUA Domestic Service in Chinese 0844 GMT 11 Sep 93*

[By reporter Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 11 Sep (XINHUA)—The State Council today convened the Second National Work Conference on Government Legal Affairs. Lou Gan, state councillor and secretary general of the State Council, attended and addressed the meeting.

As an important component of the state legal construction, government legislation plays a major role in promoting and safeguarding the establishment and gradual perfection of the socialist market economic system. Since the Third Plenary Session of the 11th CPC Central Committee, the State Council has drawn up nearly 700 administrative laws and regulations, while various departments under the State Council, as well as local people's governments, have drawn up some 10,000 rules in accordance with their statutory jurisdiction.

Speaking on government legislation, Luo Gan said: It is necessary to proceed from meeting the needs of developing the socialist market economy to focusing on this in quickening the pace of legislation. In line with the unified planning of the National People's Congress Standing Committee and arrangements by the State Council, legislation presently in urgent need of expeditious drafting and early enactment are: 1) that for providing a norm for major market bodies; 2) that for readjusting the relationships among major market bodies and upholding fair market competition; 3) that for improving and strengthening macroeconomic regulation and promoting coordinated economic development; 4) that for establishing and perfecting the social security system. At the same time, we should also pay close attention to legislation for promoting development in such fields as education, science and technology, and culture; for promoting the building of democratic politics [cu jin min zhu zheng zhi jian she 0191 6651 3046 0031 2398 3112 1696 6080] and safeguarding civil rights, and for maintaining social order, combating corruption, and strengthening the building of clean administration, so as to create a good social environment for the establishment, perfecting, and proper functioning of the socialist market economic system.

Luo Gan pointed out: To strengthen and accelerate legislative work related to the socialist market economy, we need to earnestly approach and solve the problems and difficulties in government legislation in the spirit of reform. First, we should make great efforts to suit government legislation to the process of reform—it is necessary not only to affirm the success experienced in reform and promote the deepening of reform through legislation, but also to try our best to, in accordance with relevant general and specific policies of the party and the

state, precede all actions with legislation or precede full-scale project implementations with legislation based on experience gained at individual pilot localities, so as to guide reform with legislation. Second, we must, in carrying out government legislation, conscientiously prevent the legalization of administrative and management systems not suited to the needs of the socialist market economy, by proceeding from the overall situation and from the aim of safeguarding the fundamental interests of the state and the people. Third, we should, based on our basic national conditions, boldly draw lessons from and absorb foreign experiences suiting our situation and needs.

Speaking of administrative law enforcement, Luo Gan emphatically pointed out: Unhealthy tendencies now prevail in some localities and departments, particularly some administrative law enforcement departments, economic administration departments, and monopolistic trades, posing a serious impact and damage to strict law enforcement. Quite a number of prominent problems at present are not caused by the absence of applicable laws or regulations, but the failure to comply with applicable laws, follow applicable regulations, carry out applicable orders, observe applicable prohibitions, properly enforce laws and discipline, or transmit government decrees. We should rely on education, still more the legal system, to combat corruption and strengthen the building of clean administration. It is necessary to carry out the fight against corruption and strengthening of clean administration as a major task in the government's legal work.

Wang Hanbin, alternate member of the CPC Central Committee Political Bureau and vice chairman of the NPC Standing Committee; Tang Dehua, vice president of the Supreme People's Court; Chen Mingshu, deputy procurator general of the Supreme People's Procuratorate; Xi Dehua, deputy secretary general of the State Council; as well as responsible persons from the various ministries and commissions under the State Council and various provincial, autonomous regional, and municipal governments attended the meeting. At the meeting, Yang Jingyu, director of the Bureau of Legislative Affairs of the State Council, delivered a speech entitled "Suit the Needs of Developing the Socialist Market Economy and Make Great Efforts To Open Up a New Prospect in Government Legal Work."

**Zhu Rongji Meets Iodine Conference Participants***OW2309162793 Beijing XINHUA in English 1527 GMT 23 Sep 93*

[Text] Beijing, September 23 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here today with participants in a meeting on wiping out iodine deficiency diseases in China.

Zhu said that Premier Li Peng signed the World Declaration on the Survival, Protection and Development of Children in 1991. Answering the call, the Chinese Government has actively carried out the work to control

iodine deficiency and raised the goal to wipe out iodine deficiency diseases in China by the end of this century.

Vice-Premier Zhu also met with representatives from the United Nations Development Program, the United Nations Children's Fund, the World Health Organization and the World Bank. He expressed gratitude to their concern and support for China's effort to control iodine deficiency diseases.

### Leaders Conduct Investigations in Various Areas

#### Li Ruihuan Views Work in Jiangxi

HK2309150093 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 19 Sep 93

[Text] When inspecting work in our province, Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau and chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], stressed that, in the course of establishing a socialist market economic system, it is necessary to carry forward the fine tradition of integrating theory with practice and continuously create fresh experiences.

From 13 to 19 September, Li Ruihuan, accompanied by provincial Secretary Mao Zhiyong and provincial Governor Wu Guanzheng, visited several cities and counties, including Jiujiang, Gongxingcheng, Jinggangshan, Nanchang, and Yongxiu, and inspected various villages and factories.

In Jinggangshan, Li Ruihuan visited some historical revolutionary sites, such as Mao Zedong's former residence, and presented a wreath at the mausoleum for revolutionary martyrs. He also had discussions with local cadres, workers, peasants, and teachers, getting to know how they are in their work and daily life and exploring ways to accelerate the development of the old liberated area of Jinggangshan.

In Yongxiu County, Li Ruihuan visited ... [break in reception] ... expressed sympathy and solicitude for the masses, encouraging them to overcome the disaster aftermaths and resume and develop production.

On 19 September, Li Ruihuan listened to the reports given by the provincial committee and provincial government on their work and made an important speech. Li Ruihuan fully affirmed Jiangxi's achievements in the areas of reform, opening up, economic development, improvement of the people's livelihood, and strengthening of party building in recent years. He said: Jiangxi is blessed with many favorable conditions. You should seize the current opportunity, give play to your advantages, and make greater strides forward in economic construction and all other aspects of work.

Li Ruihuan pointed out: At present, China's economic situation is good on the whole, and the measures laid

down by the central authorities on intensifying macro-economic regulation and control have yielded initial results. The shift to the socialist market economic system will still take quite some time, however. Only when leaders at all levels give full play to the initiative of the masses, emancipate the mind, seek truth from facts, and boldly blaze new trails can the conflicts and problems arising from the conversion of the old system to the new be settled well.

He said: In those days, Comrade Mao Zedong integrated Marxism with the reality of the Chinese revolution and proposed encircling the cities with the rural areas and seizing state power by armed force, thus finding the correct path for the Chinese revolution. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has integrated Marxism and Mao Zedong Thought with China's present reality ... [break in reception] ... thus finding the correct path for China's modernization. In the new historical era, we must carry forward and promote the fine tradition of integrating theory with practice and continuously summing up new experiences.

He said: In the course of reform, opening up, and economic development, all localities and the broad masses have created many new methods and approaches. The leaders in various localities, in formulating and implementing policies, should learn to draw nourishment from them, integrate the study of the theory of building socialism with Chinese characteristics closely with local realities, study their own characteristics, bring into play their unique advantages, and conduct their work creatively.

In Nanchang, Li Ruihuan also met with the leading comrades from the CPPCC provincial committee and exchanged views with them on how the CPPCC can give better play to its role in economic development and the building of socialist democracy and the political system and how the CPPCC can improve itself.

#### Song Ping on Gansu Developments

OW2309204193 Beijing XINHUA Domestic Service in  
Chinese 1110 GMT 12 Sep 93

[By reporter Qu Zhi (2575 4160)]

[Text] Lanzhou, 12 Sep (XINHUA)—During his recent inspection tour of Gansu, Comrade Song Ping stressed that impoverished areas should not solely rely on the state to free themselves from poverty, but should also rely on the masses and advocate the spirit of working hard.

Comrade Song Ping returned to Gansu 12 years after he left the province to conduct an inspection from 27 August to 11 September. Comrade Song Ping was the secretary of the Gansu Provincial CPC Committee for many years. He heartily rejoiced at the tremendous changes which have taken place in Gansu over the past decade and more. He said: Gansu has reaped bumper

harvests of grain for several years straight. It is not easy for Dingxi, an area well known for its dryness and poverty, to keep the masses properly fed and clothed. In the future, the focus of work to help the poor should be on maintaining stability—we must not let an area return to poverty once it has become better off. Based on different situations in different localities, we should draw up different development plans and different ways for freeing the masses from poverty. We should take various approaches and pool available funds to develop irrigation facilities; we should make long-term efforts to level farmland and make prepare it for sowing and planting; and we should insist on pursuing comprehensive economic development—developing agriculture, the animal husbandry industry, and the forestry industry. In carrying out its work to help the poor, Gansu should also pay attention to the southern part of the province, cold and wet mountain areas, and minority nationalities areas in the province.

Speaking about large and medium-sized enterprises, Comrade Song Ping said: The majority of large and medium-sized enterprises in northwest China and Gansu was established in the 1950's. Currently, the equipment of many of these enterprises is outmoded and their products are out of date. Many enterprises have heavy burdens and do not possess the ability to transform their technology. Song Ping suggested local governments, in carrying out help-the-poor work in rural areas, provide assistance to large and medium-sized enterprises which have made outstanding contributions to the state. He stated: Gansu may provide assistance to selected key enterprises and overhaul them batch by batch, step by step. Funds for technological transformation may also be disbursed through inviting tenders—whoever has better economic performance will get the fund.

Comrade Song Ping praised the irrigation project which diverts the waters of Datong River to Qinwangchuan area. He said by completing such huge projects, Gansu—a poor province—has indeed achieved a great job which will benefit coming generations. He suggested the new irrigated area develop a new way for developing its economy; in addition to developing grain production it should simultaneously develop agriculture, industry, and commerce; it should also truly improve the economic efficiency of its agricultural industry.

During his inspection tour, Comrade Song Ping repeatedly stressed that leaders at all levels should attach great importance to the issue of party style and should closely attend to anti-corruption problems as required by the central authorities. He said, in particular, a number of representative cases should be seriously dealt with for the purpose of educating cadres and the masses.

On rural areas' cultural and educational development as well as family planning work, Comrade Song Ping pointed out the more backward a place is the more it needs to pay attention to developing culture and education and to carrying out family planning work. He said: Family planning associations at all levels should recruit

new members from among grass-roots units, assist the party and local government in carrying out propaganda and educational work, strictly implement established policies, help the masses solve practical problems in daily life and in production work, and let the masses educate themselves so they will self-consciously practice family planning.

#### NPC Vice Chairman Li Ximing in Gansu

HK2409003093 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 20 Sep 93

[Excerpts] When inspecting work in our province, Li Ximing, vice chairman of the Standing Committee of the National People's Congress [NPC], pointed out: Gansu should, by taking account of its realities and giving play to its advantages, cooperate closely with the eastern coastal areas to quicken the pace of economic development and strive to narrow the gap between itself and the eastern coastal areas.

From 8 to 20 September, after holding discussions with the leading comrades of the provincial people's congress, the provincial government, the provincial higher people's court, the provincial people's procuratorate, and organs for supporting the poor in rural areas, Comrade Li Ximing went to some villages, making special visits to poor households, in Wuwei, Jinchang, Zhangye, Jiuguang, Jiayuguan, Dunhuang, and Lanzhou, to learn about the condition of production and livelihood of peasants in Gansu, the burdens on peasants, the work on supporting the poor in rural areas, and the status quo of economic development in rural areas throughout the province. In the meantime, he also visited Jinchuan Nonferrous Metal Company, Factory 404, Lanzhou General Oil Refinery, Lanzhou Chemical Industry Company, and Baiyin Nonferrous Metal Company. [passage omitted]

Comrade Li Ximing showed great concern for support-the-poor work in our province. He said: In trying to solve the problem of poverty thoroughly, Gansu has recognized the importance of improving production conditions. Gansu is an arid province. Where there is water, there is an oasis. Gansu also enjoys the advantage of abundant electric power resources. For many years, Gansu has done a great deal of effective work in the construction of water conservancy works for agricultural purposes, which has proved successful. It has also done very well in popularizing water-efficient irrigation, spreading new techniques for scientific farming, disseminating fine varieties of crops, and popularizing new plowing methods.

Comrade Li Ximing also expressed the hope that our province will pay attention to lessening the burdens on peasants and will keep effective control of the prices of agricultural materials and equipment.

Provincial Secretary Gu Jinchi, provincial people's congress Chairman Lu Kejian, and some other leading



comrades took part in the discussions with Comrade Li Ximing on separate occasions.

Leading comrades of the provincial people's congress and provincial government, including Yan Haiwang, Wang Jintang, Mu Yongji, and Cui Zhenhua, accompanied Comrade Li Ximing on his inspection tour.

### **Wei Jianxing Inspects Jiangsu**

*OW2309134393 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 21 Sep 93*

[From the "News" program]

[Text] Wei Jianxing, member of the CPC Central Committee Political Bureau and Secretariat, and secretary of the CPC Central Discipline Inspection Commission, was on an inspection tour in Xuzhou, Lianyungang, and Huaiyin and other cities in Jiangsu Province from 12 to 18 September.

On the afternoon of 18 September, responsible comrades of the provincial party committee and government Shen Daren, Chen Huanyou, Sun Jiazheng, and Cao Hongming called on Comrade Wei Jianxing who had arrived in Nanjing.

Comrade Wei Jianxing was accompanied by Cao Keming, deputy secretary of the provincial party committee and secretary of the provincial party committee's discipline inspection commission, during his inspection tour of various localities.

Comrade Wei Jianxing visited and inspected plants, rural areas, markets, and city government construction projects in Xuzhou, Lianyungang, and Huaiyin and other localities. He heard work reports by the provincial party committee and by the provincial party committee's discipline inspection commission. He held discussion meetings with responsible comrades of various local departments and bureaus governing public security, industry and commerce administration, communications, commodity prices, courts, customs, finance, taxation, banks, education, agriculture, and industry.

On the afternoon of 19 September, Comrade Wei Jianxing arrived at the provincial party committee's discipline inspection commission, and met with all the organ cadres. He also heard a work report made by the provincial party committee's discipline inspection commission.

Wei Jianxing held: The Jiangsu provincial party committee and government have paid attention to improving party work style and enhancing honest administration, and have attached importance to anticorruption work. They have implemented the guidelines of Comrade Jiang Zemin's important speech delivered at the Second Plenary Session of the CPC Central Discipline Inspection Commission and the guidelines of the Second Plenary Session of the CPC Central Discipline Inspection Commission. They have conscientiously and strictly pursued the above tasks. Closely rallying around the central task

of economic construction, the Jiangsu provincial party committee's discipline inspection organs have undertaken discipline inspection work by proceeding to supervise the party's line, its general and specific policies, and the implementation of state laws and regulations; and have intensified their efforts on anticorruption work. Their work and working procedures have been correct, and they have been commended by party committees and governments at various levels. [words indistinct]

### **'Pen Talk' Series on Deng's Theory Continues**

#### **Part Eight**

*HK1609085093 Beijing RENMIN RIBAO in Chinese  
13 Sep 93 p 5*

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Yu Wen (6276 2429) of the Henan CPC Provincial Committee: "Commenting on the Strength Which Leads Socialism and Which Socialism Relies on—Eighth in a Series of Articles on Studying Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics"; the seventh "Pen Talk" in the series on Deng's theory was published in the Political & Social section of the 10 September China DAILY REPORT, pages 27-30, under the headline "'Pen Talk' on Studying Deng Theory, Part 7"]

[Text] The leading and supporting force of socialist construction is a question of the first importance for the building of socialism with Chinese characteristics. Only if a scientific answer to this question is found can we correctly solve a series of basic questions, such as how to build, consolidate, and develop socialism and ensure the prosperous development of the socialist undertaking with Chinese characteristics.

#### **It Is Necessary to Strengthen and Improve Party Leadership Over All Work**

The Chinese revolution and the undertaking of socialist construction must be led by the Communist Party. This is a historical conclusion reached through the long-term struggle and construction practice, which is generally acknowledged and supported by the people of various nationalities throughout the country. The CPC, as the vanguard of the working class, always stands in the forefront of liberating and developing productive forces and leads the people of various nationalities throughout the country in constantly making progress in history. In particular, following the Third Plenary Session of the 11th CPC Central Committee, the party led the people to comprehensively initiate a new situation of reform, opening up, and modernization and scored great achievements which attracted worldwide attention. History proves that in China, without the CPC's firm leadership, we would not have constant liberation and development of social productive forces, full social progress, and the realization of socialist modernization.

In the new historical period, we must rally the more than 1.1 billion people round the Party to work through reform to further liberate and develop the productive forces and to concentrate our energies to develop the economy. The key to fulfilling the grand and magnificent goal of socialist modernization lies with the party; the key to deepening reform and successfully creating a socialist market economy, which is unprecedented in human history, lies with the party; the key to upholding the principle of paying attention to both types of work at the same time and doing a good job in the construction of the two civilizations lies with the party; and the key to maintaining social and political stability and realizing the long-term order and peace of the state also lies with the party. Thus, we must keep upholding and strengthening party leadership and give play in a better way to the core role of party leadership over the various work related to the building of socialism with Chinese characteristics. We must never break away from and weaken party leadership under any pretext.

"In order to uphold party leadership, we must strive to improve party leadership." Reform, opening up, modernization, and the development of the socialist market economy set new and still higher demands on party leaders. If no effort is made to upgrade the standard of leadership and the ability to rule, improve the pattern and methods of leadership, and heighten the skills in leading and organizing the socialist market economy, our party will find it hard to gear itself to the needs of the new situation and to take on the important historical responsibility of leading the undertaking of building socialism with Chinese characteristics; it may even run the risk of becoming unqualified to rule.

To improve and strengthen party leadership, the most important thing is to uphold the basic party line and to strive to upgrade party leadership over economic construction, particularly the capability to exercise leadership in building up the socialist market economy. Second, it is necessary to reform the system of leadership; improve the pattern of leadership; conscientiously change the phenomenon of making no distinction between party and government and allowing the party authorities to perform government duties; and guarantee that legislative, judicial, and executive organs of the state and various cultural groups and mass organizations make concerted efforts to work independently and conscientiously and that their positive role in socialist construction will be fully brought into play. We must, on the basis of the demands set by Comrade Deng Xiaoping, strengthen ideological and political work and treat it as an important task to improve party leadership. We must strive to blaze a new trail in ideological and political work under the circumstances of reform, opening up, and socialist market economy; employ new means to solve various internal conflicts among the people arising under the new situation; and run through the whole course of economic construction with ideological and political work and implement it in various

concrete work, thus organically integrating the enhancement of party combat strength with the development social productive forces.

#### **Further Strengthening and Improving Party Building**

The key for the party to gear itself to the needs of the new situation and exercise good leadership over the undertaking of reform, opening up, and socialist modernization, lies in perfecting the building of the party itself, strengthening the cohesion of party organizations, and improving its appeal to the broad masses and enhancing its combat strength. Hence, while maintaining a close link with the basic party line, focusing on the center of economic construction, and integrating with the practices in reform and opening up, we must pay attention to fulfilling the following several aspects of work.

**First, the whole party must keep a high degree of uniformity in ideology and politics.** The most fundamental thing is to arm the whole party unswervingly with the theory of building socialism with Chinese characteristics. The theory of building socialism with Chinese characteristics is Marxism of contemporary China and the source of strength to inspire the whole party and the people of various nationalities across the country to engage in unremitting struggle for the realization of socialist modernization. Arming the whole party with this theory and reaching a common understanding within the party is the inherent requirement to give an impetus to the grand practice of building socialism with Chinese characteristics, the fundamental guarantee to uphold without vacillation the basic party line for a hundred years, and the strategic measure to strengthen party building and give play to the core role of party leadership. Our party is one which has over 50 million party members and which rules a large country with a population of 1.1 billion. Such a large party also leads such an unprecedented great cause, so it is impossible to succeed if there is not a unified scientific theory to serve as a guide. Hence, if we conscientiously do a good job in this basic construction, our party will be strong and energetic, with everlasting vigor, and will always be able to stand in the forefront of the times, keep a close link with the masses, and give play to the core role of leadership in a better way.

**Second, it is necessary to consolidate the high degree of unity of the party in organizational matters and actions.** The most important thing is to strictly implement democratic centralism. The organizational construction is the important content of party building and also the organizational guarantee for implementation of the basic party line. After the party political line in the new period was determined, Comrade Deng Xiaoping has repeatedly stressed that we must solve the organizational line problem and ensure implementation of the political line. At present, we must conscientiously uphold and perfect democratic centralism, which is the party's fundamental organizational principle and integrates the implementation of centralism on the basis of democracy with the implementation of democracy under centralized guidance. We must vigorously carry forward democracy

within the party, enhance the building of systems, and conscientiously safeguard the democratic right of various party organizations and party members. Moreover, we must implement essential centralist policies; enforce organizational discipline more strictly; fight against such harmful trends as refusing to execute orders or bans, implementing countermeasures to go against policies from above, and decentralism; and ensure party uniformity in ideology and actions. The greater the extent of reform and opening up, the more important it is to lay stress on observing discipline and law. Party organizations at various levels must safeguard the overall interests of the party and the state, uphold party unity, defend the authority of the CPC Central Committee and the State Council, and ensure the unimpeded implementation of government decrees. We must act in line with the policies of building up a contingent of revolutionized, young, knowledgeable, and professional cadres while following the principle of paying attention to both ability and political integrity in developing leading bodies at various levels into a strong leading collective which is faithful to Marxism and insists on taking the road of socialism with Chinese characteristics. Cadres at various levels must study harder, study Marxist theories, study knowledge related to the socialist market economy, study modern science and technology, strive to upgrade the ability to exercise leadership over reform and economic construction, and master the pattern and art of leadership of paying attention to both types of work at the same time. We must attach importance to and heighten the construction of grass-roots party organizations and strive to develop them into a powerful fighting force uniting and leading the masses to engage in reform and construction.

**3. It is necessary to enhance the construction of party style and always maintain a close link with the masses.** The ruling party's style is a question which concerns the party's life or death. Overall, the situation of our leading bodies at various levels and that of the contingent of party members is good. However, it is true that a minority of leading cadres and party members have serious problems so that negative and corrupt phenomena spread in certain aspects in a modified form, thus causing great damage. At present, money worship, hedonism, and extreme individualism is spreading among a number of party members and cadres and some people even unscrupulously abuse power to seek self-interest, take bribes, and blackmail others. The broad masses have strong grievances against, and bitter hatred toward, these people. Therefore, in the overall process of reform, opening up, and the development of the market economy, we are required to attach primary importance to conscientiously dealing with the anticorruption struggle, correcting the party style, and strengthening the building of an honest government, to bring about improvement of the general social mood of society and ensure the healthy development of reform, opening up, and the market economy. If no effort is made to carry out the anticorruption struggle and the phenomenon of corruption is free to spread, it will not only have a direct

impact on the smooth progress of reform, opening up, and modernization, but will also severely ruin the party's image and prestige and damage the relationship between the party and the masses. Hence, the whole party must heighten understanding and pay close attention to the major political task of anticorruption in a conscientious manner with a view to achieving results and winning the people's confidence.

According to Marxism, the masses are the creators of history and the deciding force of historical development. In the new historical period, the masses are still our source of strength and the foundation of victory. Only when we rely unswervingly on the broad masses and bring every possible factor into play can we fulfill the great historical mission of building socialism with Chinese characteristics.

Workers, peasants, and intellectuals are the masters of our country and society and the mainstay of reform, opening up, and modernization. To build socialism with Chinese characteristics, we must, in the first place, rely firmly on workers, peasants, and intellectuals.

The working class, as the class foundation of our party and the leading class of our country, represents the advanced productive forces and relations of production. It is the nucleus of upholding the basic party line without vacillation, realizing the political stability of the state, and promoting economic development and social progress. It plays the role of the principal force in reform, opening up, and modernization. Over 40 years of history has proved that as long as we wholeheartedly rely on the working class, the cause of revolution and construction can develop smoothly, and overcome any difficulties encountered, and the continuous progress of our undertaking is ensured. Wholehearted reliance on the working class is the fundamental guiding ideology which we must stick to for a long time and which should be embodied in the formulation and implementation of major party policies.

The peasant problem is, after all, a fundamental problem of China's revolution and construction. Peasants are the most reliable ally of the working class and the staunch supporter of the socialist system and party leadership. The worker-peasant alliance is the foundation of the people's democratic dictatorship. The victory of our country's democratic and socialist revolution was achieved on the solid foundation of the worker-peasant alliance. As far as the building of socialism with Chinese characteristics is concerned, we must now also rely on peasants and the solid alliance of workers and peasants. Hence, we must attach great importance to the rural problems and the peasant problems. At present, we must thoroughly implement major policy decisions and measures of the central authorities, resolutely safeguard peasants' immediate interests, conscientiously lighten peasants' burden, keep intact peasants' enthusiasm, further consolidate and strengthen the foundation status of agriculture in the national economy, and enable agriculture to advance to a new stage.



Intellectuals are a part of the working class mastering more scientific and cultural knowledge and are the developers of advanced productive forces. They play an exceptionally important role in reform, opening up, and modernization. Science and technology are the primary productive forces. Competition in today's world is, in the final analysis, competition of comprehensive national might and scientific and technological strength. Whether or not the talent of intellectuals can be brought into full play will, to a very large extent, determine the rise or decline of our nation and the success or failure of the modernization undertaking. Hence, to build socialism with Chinese characteristics, we must sincerely and wholeheartedly rely on intellectuals. We must strive to create a good environment which is more advantageous to the full play of intellectuals' wisdom, resolutely overcome the prejudice of despising intellectuals, and further form in the whole society a good atmosphere of respecting knowledge and talents. We must take measures to vigorously improve intellectuals' working, studying, and living conditions and to form a standardized reward system.

To build socialism with Chinese characteristics we must also rely on all of the socialist workers, patriots who support socialism, and the broadest united front composed of patriots who support the unification of the motherland. It has been proved by historical experience that a powerful source of strength for striving for the victory of the cause of revolution and construction is to unite with all the forces possible, bring every positive factor into play, and form the broadest united front under the CPC's leadership. In the new historical period, the united front is still our important magic weapon which we cannot do without even for a moment. The 14th CPC Congress affirmed that the united front is the strength on which socialism relies. It correctly reflects the objective law of socialist development and is a major development of scientific socialist theories.

The system of multiparty cooperation and political consultation is a basic political system for our country. We must further uphold and strengthen party leadership over the united front; hold aloft the banner of patriotism and socialism; carry out in an exemplary way the guiding principle of "long-term coexistence, mutual supervision, showing utter devotion to each other, and sharing a common destiny"; and give full play to the role of nonparty personages. When deciding on major issues concerning the national economy and the people's livelihood, we must solicit opinions from all the democratic parties, mass organizations, and representatives of various nationalities and circles and implement political consultation and democratic supervision. We must strive to arouse the patriotic enthusiasm of compatriots from Taiwan, Hong Kong, Macao, and the Overseas Chinese community and actively bring about unification and prosperity of the motherland.

We are a unified multinational country. The important guarantee for realizing socialist modernization is to uphold the unity of the people of various nationalities

and safeguard the motherland's unity. We must very much cherish and strive to safeguard the unity of the nation and state and have a clear-cut stand in resolutely fighting against all kinds of plots which try in vain to break up the motherland.

The People's Liberation Army is the strong shield of the people's democratic dictatorship, the great wall of steel guarding the socialist motherland, and the important force in building of socialism with Chinese characteristics. The People's Army must keep heightening modernization and standardization. Apart from providing a strong guarantee of security to reform, opening up, and economic construction, the Army must conscientiously submit itself to the overall situation of economic construction of the state; actively support and take part in reform, opening up, and modernization; and contribute themselves to the development and prosperity of the state.

The building of socialism with Chinese characteristics is a creative and vigorous undertaking of hundreds of millions of people. As long as the people of various nationalities throughout the country are more closely united under the CPC's leadership with their fate and hearts linked to each other, we can definitely realize our magnificent goal!

#### Part Nine

HK2209143393 Beijing RENMIN RIBAO in Chinese  
20 Sep 93 p 5

["Pen Talk on Arming the Entire Party With Comrade Deng Xiaoping's Theory of Building Socialism with Chinese Characteristics" by Tong Taiwen (4547 1132 2429): "On Carrying Out the 'One-China, Two-System' Policy and Promoting the Motherland's Peaceful Reunification—Ninth in a Series of Articles on Studying Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics"]

[Text] Reunifying the motherland and rejuvenating China are the demands of the times and represent the basic aspirations of the entire Chinese nation. On the issue of reunifying the motherland, the CPC proposed the creative idea of using "one country two systems" to settle the Taiwan issue, restore sovereignty over Hong Kong and Macao, and push forward the realization of the great cause of peaceful reunification of the motherland. The 14th national party congress maintained: "The scientific idea of 'one country two systems' is part and parcel of the theory of building socialism with Chinese characteristics, which has momentous significance for and an extremely far-reaching bearing on the peaceful reunification of the motherland, the building of socialism with Chinese characteristics, and the maintenance of world peace.

#### The Formation, Development, and Basic Meaning of "One Country Two Systems"

The idea of "one country two systems" was first put forward by Comrade Deng Xiaoping after concentrating



the political wisdom of the entire party and people and has been developed and perfected deliberately in practice through resolving the issues of Hong Kong and Macao.

As early as the mid-1950's, the party central committee already considered settling the Hong Kong and Macao issues in a peaceful way. Owing to various domestic and international factors at that time, this strategic thinking was not implemented. After the Third Plenary Session of the 11th CPC Central Committee, our party reestablished the ideological line of seeking truth from facts, and the work focus of the party and state was shifted to economic construction. The establishment of diplomatic relations between China and the United States led to the normalization of relations between the two countries. The changed situation at home and abroad provided a broad and realistic background for conceiving and refining the idea of "one country, two systems."

On the eve of the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping expressed the initial idea of "one country, two systems" by proposing on many occasions that, once peaceful reunification has been achieved, Taiwan can maintain its non-socialist economic and social systems. On 30 September 1981, Chairman Ye Jianying spoke to a XINHUA reporter and explained the nine principles by which mainland China and Taiwan can realize peaceful reunification. These included a number of specific clauses concerning "one country, two systems."

When talking with some guests in January 1982, Comrade Deng Xiaoping put forward the concept of "one country, two systems" for the first time. In September of the same year, when he met Mrs. Thatcher, Comrade Deng Xiaoping proposed using the idea of "one country, two systems" to resolve the issue of recovering Hong Kong, thereby laying down the foundation for the ensuing smooth talks between China and Britain about the Hong Kong issue. When he met an American professor in June 1983, Comrade Deng Xiaoping further expounded on the concrete plan for the peaceful reunification of the mainland and Taiwan and formally defined the basic idea of "one country, two systems." In October 1984, LIAOWANG published an article by Comrade Deng Xiaoping on "one country, two systems," in which he comprehensively and systematically elaborated on the scientific basis, essential contents, feasibility, and significance of the idea of "one country, two systems." In December of the same year, China and Britain signed the Joint Declaration on the Hong Kong Issue, and the idea of "one country, two systems" was officially put into practice.

The meaning of "one country, two systems" can be summarized as: Under the precondition of one China, its main body will persist in practicing the socialist system, while Hong Kong, Macao, and Taiwan will maintain their original capitalist systems and will remain unchanged for a long time. To be specific, the substance covers the following four aspects:

**First, the precondition of "one China."** The crux of the matter is the reunification of the motherland. After the motherland has been reunified, Taiwan, Hong Kong, and Macao, as parts of China, can practice a system different from that on the mainland and can enjoy a high degree of autonomy, provided that they do not infringe upon the unified national interests. Internationally, only the PRC Government can represent China.

**Second, the coexistence of "two systems."** This is the core aspect of the strategic idea of "one country, two systems." In practicing "one country, two systems," the main body of the country—the mainland with a population of more than one billion—will practice a socialist system under the leadership of the CPC, while Taiwan, Hong Kong, and Macao will continue to practice capitalist systems. The two systems will coexist. Instead of one conquering the other, they should strive for mutual benefits to achieve common prosperity.

**Third, the establishment of a special administrative region.** After the motherland is unified, Taiwan, Hong Kong, and Macao will establish special administrative regions according to the provisions of the Constitution and the law, in which a high degree of autonomy will be practiced, and the social and economic systems, lifestyle, and nongovernmental relations with foreign countries will remain unchanged. There will be independent judicial administration and power of final adjudication so that cases will not be handled in Beijing. Taiwan will also be able to maintain its own army, and the mainland will not send troops or administrative personnel to Taiwan. The party, government, and military departments and their affiliated organs will be administered by Taiwan itself. The central government will also set aside a certain number of seats for Taiwan.

**Fourth, persistence in remaining unchanged for a long time.** This is out of the consideration that China requires 50 to 60 years to realize its modernization drive. During this period, the practical conditions and development in China require a prosperous and stable situation in Hong Kong, Macao, and Taiwan. Fifty years later, our economic exchanges with the international community and with Taiwan, Hong Kong, and Macao will be even closer, and all of us will be interdependent so that it will be still more difficult to change the status quo. That is why "one country, two systems" is not an expedient or a transitional measure but a long-term state policy guaranteed by the Constitution and the law of our country. It is not to be carried out for a certain period of time; it is to remain unchanged for several decades—up to a century.

#### **"One Country, Two Systems" Is a Creative Idea With Chinese Characteristics**

Using "one country, two systems" to unify the motherland is a great creation of the Chinese Communists, who have proceeded from the practical conditions in China and the fundamental interests of the Chinese nation,

have fully respected history and reality, and have courageously explored the theory and practice of building socialism with Chinese characteristics.

"Reunifying the motherland and rejuvenating China" is the objective that the Chinese people have been seeking assiduously for more than a century as well as the common aspiration and historical duty of the Chinese nation. To realize the reunification of our country, there are only two modes, peaceful and non-peaceful. China's basic strategic mission at the present stage is the realization of its modernization drive. Wars will bring enormous damages and calamities to the entire Chinese nation. Not only will they retard the pace of our economic construction, but they will certainly affect prosperity and stability in Taiwan, Hong Kong, and Macao. This is detrimental to peace in Asia and the entire world. Therefore, it is not our desire to take a non-peaceful course of action, and the peaceful mode is a wise option that will be conducive to all parties concerned.

To peacefully settle the issue of reunification, it is necessary to consider the historical and actual conditions of the mainland, Taiwan, Hong Kong, and Macao and realistically integrate safeguarding state sovereignty and maintaining territorial integrity with taking the interests of various pertinent parties into account in order to work out a plan acceptable to all. The Chinese mainland has practiced a socialist system for several decades and has made achievements that have attracted worldwide attention. Only socialism can make China move forward, and this has become a consensus of the people on the mainland. The attempt to use another system to change the road selected by the mainland with a population of more than one billion is unrealistic. For historical reasons, the Taiwan, Hong Kong, and Macao regions have embarked on different development roads and have made considerable headway economically. Local people there are accustomed to the existing social and economic systems and hope to maintain the existing way of life after reunification. Their choice will be respected by the mainland. In addition, while resolving the Hong Kong and Macao issues, we should also give consideration to the interests of countries such as Britain, Portugal, and others. "One country, two systems" is precisely the creative idea that has proceeded from these actual conditions and has been forwarded after prolonged deliberation and meticulous consideration so that it is feasible, justifiable, and conducive to the reunification of the motherland.

"One country, two systems" is the product of integrating the basic principle of Marxism with China's national conditions and the characteristics of the times, which has enriched and developed the theoretical treasure-house of Mao Zedong Thought.

First, "one country, two systems" is the creative application and development of the principle of "peaceful coexistence" within a country. After the victory of the October Revolution, Lenin put forth the idea of peaceful coexistence between socialist and capitalist countries. This

principle and thought have been consistently upheld by China in handling relations with foreign countries and have been enriched and developed in practice. The idea of "one country, two systems" is to apply the thought of peaceful coexistence in handling relations between countries to the settlement of China's reunification problem. Through this, the conflicts between the two different social systems are settled in a peaceful way so that these two systems will be able to coexist peacefully for a long time, and the two economies will promote and complement one another. "This is a kind of peaceful coexistence, as well."

Second, "one country, two systems" has enriched the strategic ideology of using for reference the technological and cultural achievements scored by capitalism to serve the building of socialism. To acquire a superiority like that of capitalism, socialism must be bold in assimilating and taking as reference all the advanced patterns and management methods of various countries in the world, including the developed capitalist countries, which reflect the general law governing the modern socialized production and the commodity economy. The economies in Taiwan, Hong Kong, and Macao have reached a relatively high development level, and Hong Kong has grown into an international financial, trade, shipping, and information center. It has been a major bridge and window for the mainland as it opens to the world. The practice of "one country, two systems" has ensured stability and prosperity in Taiwan, Hong Kong, and Macao. This is conducive to the mainland's practice of opening to the outside world, the import of funds, technology, qualified personnel, and managerial expertise, the reform of the economic structure, and the development of the socialist market economy in a bid to accelerate the modernization process. The economies in Taiwan, Hong Kong, and Macao regions have weaknesses in their considerable dependence on foreign countries. The vast territory, large population, rich resources, sound industrial foundation, and galaxy of scientific and technological personnel on mainland China will ensure the resources necessary for economic development in Taiwan, Hong Kong, and Macao, and will also provide them with a huge market. In this way, both sides will be able to complement one another for mutual benefit and common development so as to make collective contributions to the prosperity of the Chinese nation.

Third, "one country, two systems" is an important development of the Marxist theory on a country. The theoretical conception of practicing two kinds of social and economic systems in a country is an issue that has never been mentioned by the classic writers of Marxism, and is unprecedented in the history of the international Communist movement. According to "one country, two systems," on the premise of practicing the people's democratic dictatorship in the principal part of a socialist country, the capitalist mode of administration will be permitted to be practiced in certain areas. This is a momentous contribution that Comrade Deng Xiaoping has made to the Marxist theory on a country

under the new historical conditions. Moreover, "one country, two systems" has taken the strong points and distinguishing features of a compound country in terms of structural form, which has enriched the concept of the traditional unitary country.

Fourth, the idea of "one country, two systems" has enriched and developed Mao Zedong Thought regarding the theory and strategy of a united front. The essence of the united front is to unite the great majority of people to serve the central duties of the party. It is appropriate to have an all-embracing rather than limited united front. The development of the united front must have the expansion and intensification of unity in mind. "One country, two systems" is to seek common ground on loving and reunifying the motherland and is to reserve differences on social systems, ideologies, and ways of life, whereby we can unite under the banner of patriotism all the Taiwan, Hong Kong, and Macao compatriots as well as the Overseas Chinese residing in foreign countries, who respect their own nation and wholeheartedly support the reunification of the motherland. It seeks to unite even those who oppose the socialist system, so that the patriotic united front in the new period will be unprecedentedly extensive and will develop into a vast political union inclusive of the entire socialist laborers and the patriots supporting socialism and the reunification of the motherland. This is the creative application and development of the Marxist theory of the united front.

**Positively Push Forward the Great Cause of Peaceful Reunification of the Motherland in Line With the Principle of "One Country, Two Systems"**

According to the idea of "one country, two systems," the Chinese and British governments officially signed the Joint Declaration on the Hong Kong Issue in December 1984 on the basis of thorough negotiations. The declaration stipulates that China will restore its sovereignty over Hong Kong on 1 July 1997 and will practice "one country, two systems" there for a long time. After the agreement was made public, it was highly appraised and appreciated by public opinion in the Taiwan, Hong Kong, and Macao regions, by the international community, and by the relevant parties. Various sectors in Hong Kong praised the agreement, saying that "one country, two systems" had vital significance for Hong Kong's stability and prosperity. The former British Prime Minister Mrs. Thatcher and former Foreign Secretary Geoffrey Howe said: "One country, two systems" is a "wonderful idea" and a "most ingenious creation" which represents a way of settling international disputes peacefully and will "set an example of cooperation for the entire world." The former UN Secretary General Perez de Cuellar maintained: The way in which China and Britain settled the Hong Kong issue should be encouraged, as it is precisely the kind of thing we badly need in the present international situation. Following a similar principle, the Chinese and Portuguese Governments

signed a joint declaration on the Macao issue in April 1987, thus settling the Macao issue smoothly as the Hong Kong issue was settled.

The satisfactory settlement of the Hong Kong and Macao issues has fully proved the idea of "one country, two systems" to be highly scientific and truly feasible, and this has a far-reaching impact on realizing the reunification of the mainland and Taiwan at an early date. After the Third Plenary Session of the 11th CPC Central Committee, the CPC and the Chinese Government set forth the "peaceful reunification and one country, two systems" as the mainland's policy toward Taiwan. Meanwhile, in light of this principle and the specific conditions of the Taiwan issue, the party and government also put forth a series of policies and propositions concerning the Taiwan work, which demonstrate a strong sense of principle and a high degree of feasibility. Their substance is as follows: We will realize reunification through peace talks. Under the precondition of one China, any issue can be discussed through talks to seek common ground while reserving differences with a view to reaching a consensus for gradually realizing peaceful reunification. We will persist in peaceful reunification. If "Taiwan independence" or other forces to split China emerge, however, we will certainly adopt resolute measures to safeguard state sovereignty and territorial integrity. We have set high hopes on the Taiwan authorities and especially on the Taiwan people with regard to the reunification of the motherland. We will promote the "three exchanges" and contacts between various sectors in order to bring about common development and prosperity and to lay down a solid foundation for future reunification. We are opposed to "two Chinas," "one China one Taiwan," or "one country, two governments" in any description, and also opposed to any remarks and activities aimed at creating "Taiwan independence" and "two Chinas." We are resolutely opposed to the foreign forces having a hand in this affair.

Over the past dozen years, pushed by the principle of "peaceful reunification and one country, two systems," tremendous changes have taken place in the relations across the strait through the sustained efforts of the people on both sides. Personnel contacts have steadily been increased; economic and trade activities have rapidly developed; and exchanges in various areas, including science, technology, culture, and so on, have become increasingly extensive and comprehensive. Contacts and talks on routine affairs across the strait have been conducted, and certain achievements have been attained. The overall situation is developing in a direction that is favorable to the peaceful reunification of the motherland. We should also note, however, that, although the Taiwan authorities have taken some positive measures toward the relations across the strait over the past few years, on several major issues they still stick to their ossified and conservative stand. This has meant that a lot of things which could be done now are being artificially postponed, and this runs counter to the development trend of the relations across the strait and the



common aspirations of the people on both shores. We hope that the Taiwan authorities will value the national righteous cause and the popular will above all else and will adopt positive measures as soon as possible to remove various restrictions and hold peace talks across the strait in order to comprehensively push forward the process of reunifying the country. Before the motherland is reunified, both sides should—according to the spirit of mutual understanding, mutual complementarity, and mutual benefit—positively develop relations across the strait, enhance economic and trade cooperation, and increase all kinds of contacts to achieve direct exchanges in three aspects and two-way relations in a bid to create conditions for reunification. We believe that, through the unremitting efforts of the entire Chinese people, the situation featuring the great unity of the people on both shores and the large-scale prosperity of national economy and culture will eventually emerge. China's peaceful reunification and "one country, two systems" will certainly come true!

#### **RENMIN RIBAO Editorial on Civil Service System**

*HK2409132093 Beijing RENMIN RIBAO in Chinese  
22 Sep 93 p 1*

[Editorial: "Actively Implement the State Civil Service System"]

[Text] The establishment and implementation of a state civil service system is a great event in our country's political life. This is not only an important element of political restructuring but is also an important condition for establishing a socialist market economy and accelerating economic development. Party committees and governments at all levels must have a thorough understanding of the significance of this work and must enhance their leadership with elaborate organization to properly implement the "Interim Regulations on the State Civil Service" (hereinafter referred to as the Regulations, which were published in full by this newspaper on 19 August).

The present personnel system in our country is over-centralized, and its management is monolithic. Either the functionaries of party and government organizations, or enterprise managers, teachers, doctors, performing artists, and sportsmen, all are referred to as state cadres and are under a monolithic management structure. This system suited the needs of the highly-concentrated centralized planning economy and did play a positive role. With the in-depth progress of various reforms and the development of a socialist market economy, however, some of the drawbacks and disadvantages of such a system have gradually become apparent. Hence, Comrade Deng Xiaoping said that we must be bold in reforming the organizational and personnel system, which was incompatible with present needs.

The establishment and implementation of a state civil service system represents a vital reform for China's personnel management. The main substance of this major reform is precisely to draw up laws and regulations to implement a scientific and classified management system among personnel in government organs who are exercising state administrative powers and performing official duties, so as to heighten the efficiency of government personnel, to improve every link of the government personnel management system on a scientific and legal basis, and to close loopholes in the system which have engendered unhealthy tendencies. The implementation of this reform will not only help heighten the efficiency of government, promote economic development, and train a contingent of state civil servants who are capable, clean and honest, devoted to their duties, brimming with youthful vigor; it will also push forward the in-depth development of the reform of personnel system in our country's enterprises, institutions, and units.

The Regulations are general laws and regulations which suit the needs of our country's socialist market economy and improve the personnel management of our government on a scientific and legal basis. For many years, under the direct leadership and concern of the CPC Central Committee and the State Council, the departments concerned have conducted a large number of investigations, studies, and pilot work and have drafted many plans. The Regulations, in line with Comrade Deng Xiaoping's ideas concerning the reform of the cadre system and the basic party line, inherit and carry forward the fine traditions of the cadre system and draw on scientific elements of the civil service systems in some developed countries to set forth a whole set of new rules, regulations, and methods. Comrade Jiang Zemin set in his 14th CPC Congress report the demand of "implementing a state civil service system as soon as possible." Now, with theoretical preparation, conditions of laws and regulations, and practical experience well in place, we should implement it vigorously.

The implementation of the state civil service system is a brand-new task and a formidable and complicated but very meticulous social system project. The State Council has demanded the establishment of the bulk of the state civil service system throughout the country within the next three years or a little longer. Time is pressing. Party committees and governments at all levels must conscientiously fulfill this great task, and personnel departments at all levels must do their utmost to concretely implement the work. Organizational departments of party committees at all levels must give vigorous backing and instructions to the work. We must, in line with unified stipulations and the state's overall planning and in combination with the real situation of various departments and localities, gradually implement the contents of the Regulations and constantly perfect the work in practice.

First of all, we must accomplish the work of propaganda and education and must train key personnel. We must



organize vast numbers of government functionaries to conscientiously study Comrade Deng Xiaoping's expositions on the reform of the cadre system and the guidelines laid by the 14th CPC Congress report and the "Government Work Report" presented at the First Session of the Eighth National People's Congress to master the essence of the Regulations. To implement the state civil service system, it is not as simple as "changing the name" of government cadres but requires the development and transformation of the management system. The Regulations have laid down clear-cut laws and decrees about the employment, assessment, promotion and demotion, recruitment and dismissal, supervision, suspension, and rotation of civil servants, which facilitate the establishment of a mechanism of encouraging competition, a mechanism of superseding the old by the new, and a mechanism of encouraging government functionaries' diligence, honesty, and self-restraint. This is a new personnel management system of socialism with Chinese characteristics which fully embodies the reform spirit. We must have a profound understanding of it.

The implementation of the state civil service system must be combined with the restructuring of government institutions and the reform of the wage system. We must properly master the linkages between these three reforms. Units which have already started the restructuring of government institutions should implement the civil service system as soon as possible and classify civil service posts while detailing their functions, organizations, and establishments to effect the existing functionaries' transition to civil servants. Units that have not started the restructuring of government institutions must, on the basis of overall consideration, conscientiously implement the relevant sections of the Regulations.

In the process of implementation, we must uphold the principle of strict implementation to define the scope of implementing the civil service system in a reasonable way. We must conscientiously accomplish the existing government functionaries' transition to becoming state civil servants. We must uphold the criteria and pay close attention to functionaries' quality. Moreover, we must proceed from the real situation and insist on seeking truth from facts. The transition work must be integrated with the work of assigning personnel to other departments through the restructuring of government institutions and with the readjustment of the structure of functionaries and must pay attention to maintaining continuity in government work. When setting up non-leadership posts in accordance with the stipulations, we must have strict control over the qualifications to guard against arbitrary promotion. We must ensure that the ranks of the civil servants are strictly in line with the unified stipulations. We cannot act rashly; neither can we practice favoritism.

The establishment and implementation of the socialist state civil service system with Chinese characteristics carries great significance. Party committees and governments at all levels must have a high sense of responsibility to lead this major reform. On one hand, we must work in a positive and

safe manner; on the other, we must strive vigorously to achieve the goals as soon as possible to bring every positive factor into play, to bring about rapid development of all kinds of work, and to accelerate the pace of reform, opening up, and modernization.

#### **Guangdong Police Officer Receives Death Sentence**

*OW2409025693 Beijing XINHUA in English 0140 GMT 24 Sep 93*

[Text] Guangzhou, September 24 (XINHUA)—Hong Yonglin, 58, ex-chief of Huizhou city's police, Guangdong Province, has received a death sentence after being convicted of taking multi-million yuan bribes.

The Supreme People's Court of Guangdong Province rejected Hong's appeal recently after he was convicted by the Intermediate Court of Huizhou City on September 10 of taking bribes and possessing large properties whose lawful sources he could not explain.

Hong, former director of the Public Security Bureau of Huizhou City, pleaded guilty to taking 914,000 Hong Kong [HK] dollars and 348,900 yuan of bribes during the period from 1988 to January, 1991.

Besides the bribes and his legal income during the period, prosecutors discovered that Hong also possessed more than 1.44 million HK dollars in cash and 693,799 yuan of cash and properties.

Hong was unable to verify the sources of his properties.

The Intermediate Court of Huizhou City passed a death sentence on Hong for bribe taking, in addition to a five-year jail term for possessing unverified properties.

#### **Nanjing Pub Reportedly 'Ordered' To Change Name**

*OW2409055393 Shanghai WEN HUI BAO in Chinese 14 Sep 93 p 6*

[By Nanjing-based reporter Zhao Xia (6392 7209): "Nanjing's 'Runzhi Pub' Ordered To Change Name; Use of Leader's Name on Sign Hurts People's Feelings"]

[Text] Nanjing, 13 Sep (WEN HUI BAO)—The "Runzhi Pub" [run zhi jiu jia 3387 0037 6794 1367], which uses the name of a leader in its sign, received a notice the other day from the city Administration for Industry and Commerce ordering it to change its name within a prescribed time. With this, a controversy has ended.

Great thought has gone into the planning and designing of this privately run pub named "Runzhi." At the front of the hall was a full-length statue of Mao Zedong; on the sides are hung two horizontal scrolls of calligraphy with the Chinese characters "The East Is Red" and "The Rising Sun." The walls are decorated with Mao Zedong pictures and poems. Pub attendants wear Chairman Mao souvenir badges and in the KTV [English abbreviation as

published—karaoke TV] booths, music that sings the praises of Chairman Mao is played. The entire pub is immersed in its main theme, that is, "The sun is reddest and Chairman Mao is dearest." On the menu, one will find that most of the dishes are Hunanese cuisine, such as Hunan meat with pepper, Dongan chicken, Liuyang salted soya beans, and so forth. Pork braised in brown sauce, a favorite of Mao Zedong, is listed as one of its top dishes. The pub intentionally chose 1 July as the day to start business. Its owner claims to have quite a few customers.

This unprecedented use of "Runzhi" has sparked a debate on "whether the use of leaders' names on shop signs" should be allowed. Many believe that it is not dignified to use leaders' names on shop signs. They argued that while we should not deify our leaders, it would indeed be disrespectful, in an atmosphere of deep feelings created by songs that sing the praises of Mao Zedong, to exchange cups and play finger-guessing or wager games in front of his statue. Some people reasoned one step further: If this kind of gimmick is allowed, should not dance halls, coffee shops, and public bath-rooms be free to put great men's names on their shop signs?

A Nanjing City Administration of Industry and Commerce comrade noted that in many places around the world, it is explicitly forbidden to use leaders' names on shop signs. Chinese laws do not have specific provisions in this regard. However, in view of the controversy the shop name "Runzhi" has sparked and the fact that it hurts the people's feelings regarding history, it would be inappropriate to continue allowing its use.

#### **Number of Minority Nationality Students Increases**

*HK2409003293 Beijing ZHONGGUO XINWEN SHE in English 1445 GMT 23 Sep 93*

[Text] Beijing, September 23 (CNS)—The number of minority nationality students now studying in higher learning institutes in China number more than 150,000, those in middle schools more than three million and those in primary schools more than ten million, respective growths of 4.09 times, 1.56 times and 1.5 times from before the open door policy was implemented.

It is reported that for historical reasons, education for China's minority nationalities has long been backward. Since 1979, the Chinese government has drawn up a series of special policies and measures to support and aid the education of the minority nationalities and has achieved obvious good results.

By the end of last year there were 105 higher learning institutions in minority nationality autonomous regions across the country, 2,748 middle schools and 23,468 primary schools. There were 700,000 professional teachers in such schools using 24 ethnic languages in

their teaching. Teaching materials for primary and middle school pupils numbered over 1,800 various kinds.

The central government has shown special concern for Tibetan education and since the mid 1950s, 6,640 teachers have been assigned by various provinces and cities to aid Tibet in education. The accumulated investment in education in Tibet totals RMB [renminbi] 1.1 billion. A complete education system including primary, middle school and universities have been formed in Tibet. By the end of 1992, the number of students in the various kinds of schools in the region numbered 223,000 and the pupil entrance rate into the education stream was 60.4 percent. There were also 75 secondary-level training classes with more than 10,000 Tibetan students run by 19 departments under the State Council and 25 provinces and cities.

#### **Editorial Committee for National Gazetteer Set Up**

*OW2409013393 Beijing XINHUA in English 0107 GMT 24 Sep 93*

[Text] Kunming, September 24 (XINHUA)—An editorial committee was recently set up in China to compile a gazetteer of the People's Republic of China.

The gazetteer will contain the names of places of township status and above, list their geographic features, transport and historic remains. It will contain 150,000 to 180,000 entries and 20 million words.

The State Council approved the compilation of this book in 1982, and 32 volumes have been finished. The book is expected to be completed by the end of 1996.

China has a tradition of researching place names. Articles about place names can often be found in Chinese history books.

### **Military**

#### **Jiang Receives Delegates to Meeting on Veteran Cadres**

*OW2409081093 Beijing XINHUA Domestic Service in Chinese 0912 GMT 23 Sep 93*

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 23 Sep (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission [CMC], met with delegates to an all-Army commendation meeting for the work on veteran cadres in the Huairan Hall of Zhongnanhai today.

On behalf of the CPC Central Committee, the State Council, and the CMC, Jiang Zemin warmly congratulated the advanced sanatoriums for cadres, advanced retired cadres, and advanced workers for veteran cadres

on their commendation, and extended kind regards to all the army's retired veteran comrades and workers for veteran cadres.

Jiang Zemin said: Veteran comrades bravely fought north and south on many fronts and rendered immortal services in the years of revolutionary wars for the independence of the nation, for the liberation of the people, and for the growth and development of the people's army. After New China was founded, they made outstanding contributions to safeguarding and building the motherland and to revolutionizing, modernizing, and regularizing the army. Resolutely implementing the party's basic line, veteran comrades have scored new achievements in promoting reform and construction of the country as well as the army since the Third Plenary Session of the 11th CPC Central Committee.

He urged veteran comrades to continue to care for the cause of the party as well as China's modernization. He said: We must unswervingly implement the party's basic line, steadfastly take the road of socialism with Chinese characteristics, and make efforts to develop a socialist market economy. So long as we work as one and make concerted efforts we will surely be able to promote economic construction and achieve the objective of realizing modernization and regenerating China.

Jiang Zemin said in his speech it is very glorious work to render services for veteran cadres. He encouraged workers for veteran cadres to make persistent efforts and to achieve further improvement in their work.

CMC Vice Chairmen Liu Huaqing and Zhang Zhen, who are currently on inspection tours in other localities, phoned the commendation meeting to offer their congratulations. They urged the vast numbers of veteran comrades to maintain the sterling qualities of Red Army veterans forever, and to give play to their own role in carrying forward the fine tradition of our party and army, caring for the succeeding generation's education, and promoting the building of the "two civilizations." They raised the requirement that the party committees and organizations at all levels must further foster their service mentality and make efforts to promote the work for veteran cadres in the whole army to a new level.

Among those who participated in today's meeting were leading comrades of the three general departments of the People's Liberation Army and relevant departments of the CPC Central Committee and state organs.

The all-army commendation meeting for the work on veteran cadres ended today. A circular issued by the General Political Department was read out at the meeting commending 58 advanced sanatoriums for cadres, 132 advanced retired cadres, and 81 advanced workers for veteran cadres.

### Meets Model Soldiers

OW2409153893 Beijing XINHUA in English 1419  
GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—Chinese President and Chairman of the Central Military Commission Jiang Zemin yesterday met with model military representatives from troops around the country.

The representatives are currently in Beijing to report their deeds to the ranks and officers in the capital, an event organized by the headquarters of the General Staff, the General Logistics Department and the General Political Department of the People's Liberation Army.

Jiang, who is also the general secretary of the Communist Party of China Central Committee, said their deeds are the results of long steady efforts and very inspiring. He encouraged them to strive for greater deeds and glories in the armed forces.

Director of the General Political Department Yu Yongbo addressed today's report meeting, attended by over 1,000 officers and soldiers in Beijing.

Yu called on the military forces to keep up the great traditions of the People's Liberation Army and follow the models set by numerous pioneers so as to fulfill their tasks and duties to the letter.

He also urged the Army to reject the corrupt influences of money-worship, pleasure-seeking and extreme egotism and always to adhere to the correct political direction.

### Zhang Zhen Inspects Army Units in Guizhou

OW2409081193 Beijing XINHUA Domestic Service in  
Chinese 0659 GMT 23 Sep 93

[Text] Guiyang, 23 Sep (XINHUA)—In a recent inspection and study tour of army units stationed in Guizhou, Zhang Zhen, vice chairman of the Central Military Commission [CMC], called on the officers and men of the army, militia, and reserve units to uphold the glorious tradition of the Red Army and make greater contributions to the modernization program.

Following the route of the Long March of the Red Army, Zhang Zhen visited Zunyi, Loushanguan, and Erlangtan Ferry from 15 to 22 September on an inspection tour of the places where he stayed or saw action 58 years ago. He said: The 25,000-li Long March of the Red Army created glorious achievements as well as a great spirit. It will always be a source of strength spurring us to march forward. In the new long march of building socialism with Chinese characteristics, we must earnestly learn from and carry forward the same drive and revolutionary zeal the Red Army displayed during the Long March, work hard with a pioneering spirit, and constantly score new victories. He urged the troops to employ various vivid and vigorous means to carry out education in the fine tradition, to organize officers and



men to learn from the Red Army's glorious achievements and revolutionary spirit, and to hand down the fine tradition from generation to generation.

In Zunyi, a city made famous in history due to the revolution, Zhang Zhen paid a visit to the site of the "Zunyi Conference" and headquarters of the Red Army's General Political Department, the mausoleum of Red Army martyrs. He said: The Zunyi Conference determined Comrade Mao Zedong's leadership of the Red Army and the CPC Central Committee. The meeting, an event that saved the party and the Red Army at a time of great crisis, was a historic turning point of the new democratic revolution led by our party. The Third Plenary Session of the 11th CPC Central Committee reaffirmed the correct Marxist line. Under the leadership of Comrade Deng Xiaoping, the meeting embarked on a path of building socialism with Chinese characteristics. It is another historic turning point of our party. Historical experience shows that, in upholding the best traditions of the Red Army in the new period, it is most important to combine the basic principle of Marxism and concrete conditions in China and, under the leadership of the CPC Central Committee and CMC with Jiang Zemin as the core, to adhere to the party's basic line of "one center and two basic points" for 100 years without wavering.

During the inspection, Zhang Zhen inquired in detail about the training, production, and livelihood of militiamen. He also viewed with great interest a military demonstration by militia units. He pointed out: Work related to militia and reserve units should be carried out around the central task of economic construction. We should mobilize militiamen to prosper through hard work and organize efforts for "supporting military training through productive labor." At the same time, we should carry out militia work organizationally, politically, and militarily; step up education on national defense; enhance national defense awareness; and turn personnel of militia and reserve units into able workers in production and economic construction, shock forces in carrying out urgent, difficult, and dangerous assignments, and vanguards in safeguarding public order and socialist spiritual civilization.

#### **Chi Haotian Visits Night Training Equipment Show**

*OW2309132193 Beijing Central Television Program  
One Network in Mandarin 1400 GMT 22 Sep 93*

[From the "News" program]

[Text] Visiting the revised night training equipment show in the Shenyang Military Region's Group Army recently, General Chi Haotian, national defense minister and member of the Central Military Commission, highly praised the upgraded equipment developed by the cadres and soldiers themselves.

Relying on the wisdom and creative spirit of the masses, certain unit under the Shenyang Military Region has

successfully developed and upgraded five major categories consisting of 98 types and over 1,200 items of equipment that demonstrated the officers' and men's love for the Army and their achievements in learning and studying military skills. [video shows Chi Haotian inspecting exhibits and night-time firing demonstrations, accompanied by unidentified uniformed military officers]

#### **Army Academies, Schools Use Revised Textbooks**

*OW2309144593 Beijing XINHUA Domestic Service in Chinese 0539 GMT 11 Sep 93*

[Text] Beijing, 11 Sep (XINHUA)—Reorganized, reedited, and republished by the Propaganda Department of the General Political Department, teaching materials on political theory for the Army's academies and schools, including *An Introduction to Building Socialism with Chinese Characteristics* [zhong guo te se she hui zhu yi jian she gai lun 0022 0948 3676 5331 4357 2585 0031 5030 1696 6080 2861 6158], *The Tenets of Marxism* [ma ke si zhu yi yuan li 7456 0344 1835 0031 5030 0626 3810], *The History of Chinese Revolutions* [zhong guo ge ming shi 0022 0948 7245 0730 0670], and *World Politics, Economy, and International Relations* [shi jie zheng zhi jing ji he guo ji guan xi 0013 3954 2398 3112 4842 3444 0735 0948 7139 7070 4762], have been successively distributed to academies and schools throughout the Army for teaching use in the new school year.

Compared with past editions, these newly edited teaching materials are characterized by the followings: 1) earnest implementation of guidelines set by the 14th CPC National Congress, highlighting Comrade Deng's Xiaoping's elaborations on theory of building socialism with Chinese characteristics, organic integration of basic theory of major subject or specialization with that of building socialism with Chinese characteristics, and linking such an important line as the theory on building socialism with Chinese to efforts in scientifically improving the contents of various teaching materials; 2) the contents and structure of the teaching materials have embodied our party and Comrade Deng Xiaoping's new development and contributions toward Marxism-Leninism-Mao Zedong Thought, clarified the distortion or dogmatic understanding of Marxism, enriched our party's latest achievements in understanding Marxism and the law on socialist construction, and have placed more emphasis on expounding the theory on socialist market economy; 3) in close conjunction with realities of the international situation; the domestic reform, opening up, and the modernization drive; our Army's implementation of Deng Xiaoping's thinking on army building in the new period; the Army's constant efforts to revolutionize, modernize, and regularize itself; and taking into consideration the needs of young people and students, the new teaching materials have expounded the basic theory of Marxism and have taken great pains to integrate the study of the basic tenets of Marxism and the establishment of communist ideals with the strengthening of the faith in building socialism with Chinese characteristics.



### Shandong Views Militia's Role in Construction

SK2309141093 Jinan DAZHONG RIBAO in Chinese  
12 Sep 93 p 1

[Text] The provincial meeting to exchange the experiences of militia units in taking the lead in participating in reform and construction was held in Jinan on 10 and 11 September. Ma Zhongcai, deputy secretary of the provincial party committee; Liu Guofu, Standing Committee member of the provincial party committee and political commissar of the provincial military district; Yi Yuanqiu, commander of the provincial military district; and Song Fatang, provincial vice governor, attended and addressed the meeting. In his speech, Comrade Ma Zhongcai fully affirmed militia units' achievements in taking the lead in participating in reform and construction.

Han Yonglu [7281 3057 6922], deputy commander of the provincial military district, read a decision of the provincial government and the provincial military district on commending the militia units and individuals advanced in taking the lead in participating in reform and construction. The people's armed forces department of Shanghe County and 29 other units and comrade Wang Xijiang, militia company commander of the Dongcun Village of Wenzu Town of Zhangqiu city, and seven other persons were named as advanced units and advanced individuals. The Qingdao Garrison District, the Dezhou, Heze, and Liaocheng military subdistricts, and Zhang Xunzhu, leader of the grass-roots militia squad of the Yueqiao Village of Yueqiao Township of Shanghe County introduced their experiences.

Over the past few years, focusing on Shandong's economic and social development strategy, people's armed forces departments at all levels have actively organized and mobilized one million militiamen and personnel in reserve duty to launch rich and colorful activities with their own characteristics to take the lead in participating in reform and construction and have won prominent achievements. According to statistics, since last year alone, more than 25,000 militia companies and 690,000 militiamen have been organized to participate in the construction of more than 30 railways and highways, including the Taochun-Weihai and Dezhou-Longkou railways and Jinan-Qingdao high-grade highway, and more than 2,000 projects, including those to harness Huang He and Liangji Canal. They have completed more than 5,100 "militia roads," "militia forests," and other "militia projects." They have also played an important role in developing Shandong with science and technology, in the double-support activity and cooperative construction of civilized units, in safeguarding social security, and in building the spiritual civilization.

In his speech, Liu Guofu, Standing Committee member of the provincial party committee and political commissar of the provincial military district, summarized the new achievements and basic experiences of militia units in taking the lead in participating in reform and construction in the past five years. He also made arrangements for militia units' major current and future

tasks for this work. He said: Militia and reserve forces work should firmly focus on, be subordinate to, and serve economic construction. In the next few years, departments of the provincial military district should organize and mobilize militia units to open up four battlefields in developing high-yield, good-quality, low-material-consumption, and high-efficient agriculture, in building basic water and electricity supply facilities and roads, in building a "maritime Shandong," and in exploiting the Huang He delta.

Zheng Guangchen and Wang Baoshu [3769 1405 2579], deputy commanders of the provincial military district; Yang Juqing [2254 5112 1987], deputy political commissar of the provincial military district; Liang Hongchang [2733 1347 2490], deputy director of the Mass Work Department of the General Political Department; and Yuan Shoufang, deputy director of the Political Department of the Jinan Military Region, were present at the meeting.

### Shanghai Border Defense Committee Holds Meeting

OW2409104893 Shanghai People's Radio Network in Mandarin 2300 GMT 18 Sep 93

[From the "Morning News" program]

[Text] On 18 September, the Shanghai Municipal CPC Committee held an expanded meeting of the Shanghai Municipal Border Defense Committee. Wang Liping, deputy secretary of the Shanghai Municipal CPC Committee and chairman of the Shanghai Municipal Border Defense Committee, presided over and spoke at the meeting. Wang Liping urged leaders attending the meeting to further improve border defense management; to enhance their consciousness of serving reform, opening up, and economic construction; to further enhance their ideological awareness; and to strengthen leadership over border defense work.

### Tibet Chairman Opens Military Telecommunications Center

OW2309135393 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 11 Sep 93

[From the "Tibet News" program]

[Text] On the afternoon of 9 September, the Tibet Military District held ceremonies to mark the inauguration of its telecommunications center and the beginning of construction of its radio transmitting station.

Attending the ceremonies were Gyaincain Norbu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional government; Zhang Xuezhong, deputy secretary of the autonomous regional party committee; Gama Cedain, deputy commander of the Tibet Military District; and leaders from various relevant departments and bureaus in Tibet, from the Lhasa City Party Committee and Government, from organs under the

Tibet Military District, from troops garrisoned in Lhasa, from the public security department, and from the armed police corps.

Cutting ribbons for the telecommunications center's inauguration were Gyaincain Norbu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional government; Zhang Xuezhong, deputy secretary of the autonomous regional party committee; Gama Cedain, deputy commander of the Tibet Military District; and (Neng Baomin), general manager of the Lhasa Telecommunications Center under the Tibet Military District.

On behalf of the regional party committee and government and the regional people's congress, Gyaincain Norbu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional government, extended congratulations to the Tibet Military District's telecommunications center for its inauguration and beginning of operations.

He hoped: While performing work in the future, military and local civilian posts and telecommunications departments will mutually render support to one another, enhance mutual understanding, and wage joint struggles so as to bolster progress in Tibet's communications, posts, and telecommunications sectors. Also they will make greater contributions to building a new socialist Tibet that is united, prosperous, and civilized.

#### **Liaoning Jinxi Military Subdistrict Established**

SK2409100093 Shenyang Liaoning People's Radio  
Network in Mandarin 1000 GMT 23 Sep 93

[Text] With the approval of the Central Military Commission, Jinxi military subdistrict was formally established today. At the inaugural meeting, Wang Ke, commander of the Shenyang Military Region, read the order of the Central Military Commission on appointing (Fang Weifeng) commander of Jinxi military district, and (Huang Huairan), political commissar.

Xiang Jingyuan, commander of the provincial military district, read the order on establishing the Jinxi military subdistrict. Song Keda, Xiao Zuofu, and other leaders gave speeches respectively at the inaugural meeting.

### **Economic & Agricultural**

#### **Zhu Rongji To Introduce Revenue-Sharing System**

HK2409103793 Hong Kong HSIANG KANG SHANG  
PAO in Chinese 23 Sep 93 p 8

[Report by staff reporter in Guangzhou: "Zhu Rongji Says That a Revenue-Sharing System Will Be Implemented Next Year To Solve Financial Difficulties and That Central Finance Will Constitute over 50 Percent of Total Revenue"]

[Text] According to sources close to the government, Vice Premier Zhu Rongji inspected Guangzhou last week. After being briefed, he told the people in charge of various departments and commissions in Guangdong that the system of fixed quotas for revenues and expenditures, which has been implemented in Guangdong during the past decade, has played a great role in promoting the development of Guangdong and that the central government is having some financial difficulties at this time and is preparing to implement the revenue-sharing system. He therefore hoped Guangdong would support the system.

Zhu Rongji and his entourage of about 50 people, stayed in Guangzhou for four days last week, leaving Wednesday 15 September.

The purpose of the trip was to solicit opinions on the reform plans in the fields of finance, currency, foreign trade, and the management of state-owned assets, which are all to be further implemented by the central authorities next year.

Zhu Rongji said that the state has some financial difficulties, that the revenue-sharing system will be implemented next year, and that this incorporates the practice in the international community. At present, the country's central finance constitutes less than 40 percent of the total revenue income, whereas in Britain and France, it constitutes 80 percent and in Japan and the United States, about 60 percent.

The implementation of the revenue-sharing system next year will enable the country's central finance to constitute over 50 percent of the total revenue income.

The revenue-sharing system will involve three major categories of tax: Central, local, and common tax. At present, two concrete plans are being deliberated upon but no matter which one is chosen, the central authorities will obtain over 50 percent of the total revenue income.

Zhu Rongji thought that the implementation of the revenue-sharing system will have a certain impact on Guangdong but it is also conducive to making a "big cake." He also said that by the year 2000, Guangdong might have to pay 10 to 20 billion yuan more but this will not cause any harm to enterprises.

Zhu Rongji also mentioned that the state will implement the revenue-sharing system because it wants to realize "unified tax law, fair tax burden, reduction of taxation items, and fair competition" throughout the whole country.

Regarding financial reform, Zhu Rongji said that an independent central bank mechanism should be established next year to exercise overall control over issuing currency and the scale of loans. Commercial banks should be established and, on the condition that an adequate amount of funding is kept to deal with risks, banks can give more loans if they get more savings,

taking sole responsibility for profits and losses. The financial market must be opened up but it should also be strictly managed.

The investment system must also be reformed. Investments must be made through investment banks, which must carry out feasibility studies.

Concerning the reform of the foreign trade system, Zhu Rongji pointed out that it must adapt to the market economy and be carried out in accordance with the needs of the international market. Local subsidies for export tax reimbursement will be replaced by state subsidies.

Finally, Zhu Rongji talked about the purpose of reforming the system for managing state-owned fixed assets, saying that the main duty was to increase the value of state-owned fixed assets. He said that the State Council recently promulgated regulations on managing state-owned assets and he hoped everyone would seriously implement them.

Before coming to Guangdong, Zhu Rongji inspected Hainan. According to sources, the national financial conference will probably be held in October to discuss the concrete problems relating to implementation of the revenue-sharing system next year. According to analysts, Zhu Rongji's trips to Hainan and Guangdong were to listen to reports, solicit opinions, and prepare for the conference.

#### **New Tax System on Agenda of Financial Conference**

HK2409022093 Hong Kong SOUTH CHINA MORNING POST in English 24 Sep p 11

[Report by Chris Yeung]

[Text] A new tax system to boost state funds by increasing contributions from localities is set to top the agenda of a national financial conference next month, according to mainland sources. The new taxation system will ensure that a substantial and stable revenue will go the national treasury, which is faced with a chronic shortage of funds in the past.

Sources said the issue was on top of the agenda of talks between Vice-Premier Zhu Rongji with provincial leaders in Guangdong and Hainan during his visit this month. It is understood that the economic trouble-shooter tried to convince the provincial leaders that they would benefit in the long-run if the national treasury could boost its revenue.

Officials and economic advisers have warned that the central Government would not be able to maintain macro economic control if its treasury remained weak. This has prompted the Beijing leadership to revamp its taxation system. One major change is to define clearly the portion of tax revenue for the national treasury and local funds respectively.

According to the pro-China Hong Kong Commercial Daily [HSIANG KANG SHANG PAO], Mr Zhu reportedly called for support from Guangdong over the new tax structure. He admitted that the province would be adversely affected by the tax reform but added it was conducive to enlarging the base of revenue in the long-run.

Guangdong might have to contribute between 10 to 20 billion yuan (HK\$13.4 billion to HK\$26.8 billion) more to the central treasury by the year 2000, the report said. The province is believed to have been asked to pay about 32 billion yuan this year.

At present, regions are given a free hand to dispense their revenue after contributing a fixed amount of contribution to the central Government annually. The level of contribution was subject to negotiation between the central Government and localities. Under the new tax system, regions are likely to be asked to pay more in accordance with their revenue.

Meanwhile, XINHUA (the New China News Agency) said yesterday a set of financial reforms was planned. But quoting analysts, it emphasised that the pace of reform would be gradual, adding that "rapid and drastic" changes would be undesirable because public sentiments remained so fragile to bear the shock of any sudden change. XINHUA said a powerful central bank would be a must in order to maintain a firm hand on credit and money supply as well as a sound financial market.

Unregulated and huge money supply in the first half of this year had resulted in chaos in the monetary market and inflation.

The report said officials and experts generally agreed that the primary objective of the central bank should be shifted from supporting economic growth to stabilising the value of the currency. Four state specialised banks that act as the mainstay of the country's banking system will accelerate moves towards becoming commercial banks that aim at profit-making while assuming risks.

State-run enterprises will no longer be able to obtain bank loans without proving their ability to repay the credit, it said. To make the transition smoother, the state will set up three new banks to take over the policy-based lending the four specialised banks now extend.

Some reform measures, however, would have to be implemented cautiously, it noted. For instance, the commercialisation of the state banks would be achieved over an extended period.

#### **Finance Ministry Issues Bonds in Europe**

OW2409104093 Beijing XINHUA in English 0954 GMT 24 Sep 93

[Text] Beijing, September 24 (XINHUA)—For the second time, the Chinese Ministry of Finance has issued bonds on the European financial market, the ministry announced today.



On behalf of the Chinese Government, the ministry issued in London last week bonds of 30 billion European yen. It started fund-raising in Europe in October 1987 by issuing bonds in Deutsche mark.

The ministry plans to seek funds from the international financial market again later this year, by issuing bonds in the U.S. dollar in the Asia-Pacific region, said the ministry.

### **Bank Official Urges Building Clean Government**

*OW2409014293 Beijing XINHUA Domestic Service in Chinese 0746 GMT 8 Sep 93*

[Text] Beijing, 8 Sep (XINHUA)—At a head-office meeting held recently for cadres at and above the section level of the People's Bank of China, Zhou Zhengqing, secretary of the party group and vice governor of the People's Bank of China, stressed: Head office leading cadres at all levels should earnestly study General Secretary Jiang Zemin and Comrade Wei Jianxing's speeches at the Second Plenary Session of the CPC Central Committee Discipline Inspection Commission, and truly succeed in the banking system anticorruption struggle.

Zhou Zhengqing stressed: The People's Bank of China head office, as the nation's top banking institution, should play a leading role and set a good example in fighting corruption. Under no circumstance should the bank be allowed to abuse its powers in deciding on the amount of funds, approving credit extension, and exercising supervision for selfish gain. He said: Head office leading cadres should be role models in performing duties honestly and in being strict with themselves; conscientiously implement various provisions set by the central authorities on strengthening the construction of party workstyle and a clean government; and implement relevant rules and regulations on construction of clean administration in the banking sector. He urged head office leading cadres at and above the section level to meet the following five-point demand: 1) No one is allowed to engage in commerce or operate enterprises; no one is allowed to engage in paid intermediary activities, and to provide any preference in loans and funds for spouses, children, relatives or friends in opening commercial businesses or enterprises. 2) No one is allowed to hold any concurrent post in an economic entity; and to apply for reimbursement that should be paid from the private purse from subordinate branch banks or other enterprises or institutions. 3) No one at head office is allowed to trade in stocks. 4) No one is allowed to accept monetary gifts, negotiable securities, and credit cards. 5) No one is allowed to abuse powers in managing funds, administering banks, and exercising supervision and inspection for personal gain. No one is allowed to use public funds to take part in expensive entertainment.

Zhou Zhengqing said: We will investigate a number of major cases in the near future. For cases already put on file, it is necessary to step up efforts to verify facts. For

cases on which investigations have already been completed, it is necessary to duly handle them; no one is allowed to intercede. We must resolutely deal with and never be soft on those who seriously interfere in and impede the investigation and handling of cases.

He urged all departments and bureaus under the head office to conduct serious in-depth investigations in accordance with the "three rules" for the banking system set by the CPC Central Committee and State Council: 1) It is necessary to investigate and screen unauthorized loans. Unremitting efforts must be made to carry out this task to the letter, and to attain the projected goal in terms of both quality and quantity. 2) It is necessary to investigate problems related to unauthorized increase of interest rates and effectively check the unhealthy practice of usury. 3) It is necessary to examine the implementation of the "Procedures for Separating People's Banks at all Levels from Bank-Affiliated Economic Entities." Separation of head office-affiliated entities must be completed by the end of September.

Zhou Zhengqing pointed out: The anticorruption drive at head office is mainly aimed at leading bodies at the branch and department levels. The head office party group has decided to establish a leading group on the anticorruption struggle and has assigned a special working body to take charge of this task. He added: It is necessary to establish a responsibility system under which each unit has its own responsibilities. Leading cadres of one level should supervise and guide those at the next lower level. Each bank director is responsible for heads of departments and bureaus under the bank, and should give concrete guidance for them to combat corruption. Each department or bureau head is responsible for chiefs of sections under the department or bureau. Each section chief is responsible for cadres in the section. It is necessary to set up the responsibility system for fighting corruption at different levels and ensure significant results will gradually be scored in the anticorruption drive in the near future.

### **Article Suggest 'Firm Fulcrum' for Economic Growth**

*HK2209153093 Beijing ZHONGGUO JINGJI TIZHI GAIGE in Chinese No 8, 23 Aug 93 pp 10-13*

[Article by Wang Qingxian (3769 3237 2009): "Provide a Firm Fulcrum for Economic Growth"; first four paragraphs are ZHONGGUO JINGJI TIZHI GAIGE editor's note]

[Text] Must rapid economic growth run into restraints from "bottlenecks?"

Is there an inexorable relationship between investment expansion and inflation?

How can our economy leave the strange cycle of "relaxing, tightening, expanding, and lingering?"



Should we "step on the brake" or preferably make a "soft landing" when rectifying the current economy? All these questions may be answered by one summation—provide a firm fulcrum for economic growth.

Since reform and opening up, our economic development has been plagued with the following problems: When there is speed, the contradiction between supply and demand intensifies, prices soar, and the economy begins to fluctuate; when the rate slows down, the economic returns among enterprises decrease rapidly and the economy becomes sluggish. Since the early 1980's, this has happened several times.

The first time was from January 1984 to March 1986. In 1984, there was a relaxed policy of expenses and bank loans, societywide investment in fixed assets increased 25.6 percent over 1983, and the result was that total social demand far exceeded total social supply, leading to an inflation rate of 8.8 percent in 1985 and making it necessary to cut the money supply. Hence, industrial production declined.

The second time was from April 1986 to February 1988. In light of the serious decline in industrial production during the second half of 1985, both the financial and monetary policies were relaxed from the second quarter of 1986 and, in 1986, the total amount of loans, volume of currency released, and financial expenditure increased rapidly by 33.6 percent, 17.9 percent, and 26.3 percent respectively over the previous year. The imbalance between total social demand and total social supply once again intensified. In 1987, the state had to implement the double-austerity policy again.

The third time took place after April 1988, when macroeconomic control was relaxed, the amount of released currency exceeded the level in the same period of the previous year, total social demand and total social supply once again became imbalanced, and price increase caused panic buying throughout the whole country. Price increases in the whole year reached 18.5 percent. Beginning the fourth quarter of 1988, a drive to rectify and improve the economy was under way and the main measure was still to implement the double-austerity policy and some administrative means. Thus, by October 1989, the economy was experiencing negative growth, which had not been seen for 10 years.

At the end of 1991, the rectification and improvement ended. In particular, after Comrade Xiaoping made his southern tour speech in early 1992, macroeconomic regulation and control began to relax and the economy once again entered a stage of accelerated growth. In 1992, GNP increased by 12.8 percent, ranking the year second only to 1984 since the reform and opening up. In the first quarter of this year, the growth rate reached 14.1 percent. The problems associated with the rapid growth have once again caused concern among the people.

Can China's economic operation leave the "relaxing, tightening, expanding, and lingering" cycle? Is there a

certain kind of necessary causality between rapid economic growth and inflation? If there is no such causality, what then is the crux of the economic operation in China?

**The unclear property right relations in enterprises hinder optimal arrangement of resources and the adjustment of the imbalanced industrial structure has made little progress. The irrational industrial structure greatly reduces the returns on investment, to the extent that high speed becomes a contributing factor to inflation.**

Why do prices soar? The answer seems to be very clear: Total social demand is larger than total social supply and the demand for goods is larger than the supply of goods. Why would total social demand greatly exceed total social supply? This originates from the exceedingly large scale of capital construction and excessively rapid increase in consumption funds. If we can say that, in the past, the excessively rapid economic growth which led to imbalance in our country was propelled by the increase in both investment need and consumption need, then the current round manifests itself as a craze for investment but not for consumption.

Is there any necessary causality between investment growth and inflation?

Prices soar because the total social demand is too big and because there is a short supply of goods; to ease the contradiction between supply and demand, it is necessary to increase supply. To increase supply, it is necessary to increase input and expand production ability. Therefore, increasing input and expanding production ability may possibly be a means of bringing inflation down.

Why has this kind of possibility not been transformed into a reality in our economic operation?

The economic imbalance resulting from a total social demand far surpassing total social supply may manifest itself in two ways: First, as an imbalance between total demand and total supply and second, as a structural imbalance. The imbalance between total demand and total supply is shown in a rise in the general price level. When the demand for crucial products greatly exceeds the supply of such products, the structural imbalance is manifest as an increase in the prices of such products, whereas such an increase causes a rise in the general price level. At present, our country does not have adequate means of transportation and the prices of energy and raw materials increase rapidly. This indicates that, to a large extent, the imbalance facing us at this stage is a structural imbalance.

The irrational structure reduces the returns on the utilization of funds. This is manifest in two areas: First, the irrational structure means the injection of funds will be too dispersed and there is no way to form some scales to increase the efficiency in the use of funds. Second, with the irrational structure as a basis, additional investment for the sake of speed will subsequently lead to a situation

whereby the overdeveloped industries become even more overdeveloped, while the underdeveloped ones become even more underdeveloped, and the structural imbalance will intensify to the extent that it is no longer possible to use investment to ease the contradiction between supply and demand. The more the input, the less the output; and the larger the input, the bigger the shortage of certain goods. It is then easy to understand why such high speed is unavoidably associated with high inflation pressure.

Therefore, increase in input must aim at two goals: Increasing speed and adjusting structure, otherwise haste makes waste. But it is an utterly inadequate measure to rely only on the new input to accomplish adjustment of the structure. We have to adjust the quantity structure and reorganize production elements to improve efficiency in the operation of existing assets.

However, we have shouted about the adjustment of industrial structure for years, without scoring good results. The basic reason is because enterprises have not been granted the status of independent asset owners. It is because adjustment of the industrial structure must have circulation of the means of production and realignment of the elements of production as a precondition but, to have this kind of circulation, enterprises have to own the assets. However, under the current system of property rights, enterprises only have the operation rights. How can they, as appendages to government departments, dispose of state-owned assets at their own discretions?

Knowledgeable persons think that to have a sustained, rapid, and steady economic development, we must create conditions for effective adjustment and utilization of the existing assets. The high speed which is maintained by a large amount of input, without paying attention to the returns on that input, will be checked by the settling down of the input and the excessively low efficiency in terms of output, so eventually we are unable to cast off excess economic fluctuations.

Therefore we can see that there is no inexorable causation between high speed and inflation and that it is our imbalanced industrial structure which makes the former a contributing factor to the latter.

**Only when enterprises become the main investors, can they take responsibility for the returns on investment; we have suffered enough from using administrative means and political enthusiasm to handle economic construction; we have to use more, and use them more skillfully, economic rules to organize our economy.**

Economist Zhou Shulian said, when commenting on the current economic situation, that we cannot take the problem of speed lightly and that excess speed comes from excessively great investment momentum and an excessively large scale of capital construction. Why has this happened? Since Comrade Deng Xiaoping made his southern tour speech, various localities have tried to

compete with one another in terms of speed, thinking that low speed was a disgrace and showed poor administrative performance.

Judged from the overall situation, the motive force for rapid economic growth still comes from the old method of delegating power to various levels and not from enterprises' self-developing mechanisms which suit the needs of the market economy. Because governments at various levels manage their own finances separately, to expand their source of income they will struggle to launch more projects, launch bigger projects, and seek to build large and complete sets, or small but complete sets, to the extent that structures become the same and returns decrease. The comrades engaging in local economic work will not be unfamiliar with the term "running for projects." Whenever economic development is needed, those in the counties will run to the provincial capitals and those in the provinces will run to the central authorities. This is called "running to the ministries for progress." The word "run" vividly describes the basic feature of our investment system—the government is the main player.

At present, although the investment power has been delegated to various levels, the decisionmaking power and supervisory power still have not been granted to enterprises, who only have implementation power while government departments use the state's loans and funds to seek short-term local interests. Some decisionmakers even consider things from the angle of their own political future; in order to have some merit to show during their term of office, they seek instant results, attach importance to processing industries, and neglect basic industries.

A market economy demands that the decisionmaking power, implementation power, and supervisory power over investment, be completely delegated to enterprises, so that they can make decisions at their own discretion and take risks themselves, while the government mainly uses economic measures to carry out regulation and control. Governments at various levels will no longer engage in the investment in ordinary industries but will mainly invest in basic industries. One of the experiences acquired by the "four small dragons" in Asia when their economies developed rapidly and continually was: Let the people run ordinary processing industries, and the governments mainly oversee construction of infrastructure, and promptly promote adjustment of the industrial structure. But the precondition for enterprises to become the main investors is that they must become the main players in terms of property rights and interests and, to increase the value of their assets, they have the internal impulse to seek the maximum interest from investment, whereas their self-restraint is also for realizing this kind of interest.

After becoming the main investors, they will choose investment directions according to their own interests, make decisions on investing in certain sectors and avoiding other sectors, and reduce the desire for blind investment; according to their own interests, they will

ceaselessly and promptly promote realignment of the production elements, improve efficiency in the operation of assets, and increase output.

Economist Yang Peixin, who works in the State Council's Development Research Center, thinks that the current economic growth takes place in a situation whereby the change of government functions and the change of operation mechanisms among enterprises are incomplete and governments at various levels use administrative means to organize the economy. This might evolve into the rapid economic growth characteristic of the old system. He thinks that only when the reform of enterprises is expedited can the economic development experience a substantive change.

Under the conditions of planned economy, government departments are not only the planners of economic development but also the operators and enforcers of economic development. Running the economy by the method of political movement has given us enough trouble but, until now, we still fail to use economic rules as well as we use administrative means.

**Stepping on the brake suddenly can only cause an overall decline in the economy; at present, our adjustment can only be of the reform type, that is, increasing the weight of the reform of enterprises; only when high speed is combined with high efficiency and high productivity, can we have high-quality economic development.**

The irrationality in the enterprise system is the crux of many contradictions in our current economic life. From theoretical circles to government officials, everyone realizes that without a successful enterprise reform it will be impossible to embark upon the road of fast, steady, and sustained development.

As one of the outstanding measures to reform the enterprises in China, the contracting system has successfully enabled state-owned assets to realize separation of operation rights and ownership rights to a certain extent and also to acquire self-determining rights to a certain extent. When China's enterprises change from the planned system to market system, the contracting system is a great transitional measure. However, just as is mentioned in the State Statistics Bureau's report entitled "Results, Problems, and Reflection," the "contracting system is only an expedient measure. To really separate the government from enterprises, we still have to explore other methods which suit the conditions of China." Surpassing the contracting system has already become an urgent demand raised by the rapid economic development to the reform of enterprises in our country.

1. To realize rapid economic growth, we also have to increase the weight of structural adjustment. However, the contracting system is a kind of recognition of the current existing structure. When the condition of independent property rights does not exist, contracting for the right to operate enterprises makes it more difficult

for enterprises to merge, unite, go bankrupt, and collapse, so it is very difficult to have enterprise-transcending, trade-transcending, and region-transcending realignment of the production elements. And when optimal composition is not possible, the situation of low efficiency in the use of resources can hardly be changed. Precisely because of this, there comes a certain kind of causality between China's economic growth and the inflation which is caused by high input, low output, and structural imbalance.

2. The contracting does not involve the enterprises' property right relations, the enterprises' status as appendages to government departments does not change, and the enterprises themselves do not have independent interests nor independent risks to shoulder, therefore enterprises lack self-restraint over input and indulge in short-term behavior. Enterprises are not the main investors and do not shoulder any investment risks; so long as the government dares to give loans in the period of economic expansion, they dare to receive the loans with excitement and, so long as the government dares to give permission, they dare to use the money. Overlapping construction, blind construction, and extensive management are unavoidable. The government has unlimited responsibility for investment but, at the same time, no one is responsible for the assets of state-owned enterprises.

At present, we are in a triangular zone of economic reform, economic growth, and adjustment of industrial structure. Whether the current economic situation is "overheated" or not, the problems facing us objectively exist and we have to carry out a moderate adjustment. The question is how to carry out the adjustment. The overall retrenchment resembling a sudden step on the brake can only check the demand temporarily. It is very likely that this kind of temporary method, which has no permanent effect, may once again lead to excessively slow speed or negative growth, decrease the returns among enterprises, and lose the basic support for structural adjustment. When the next growth period comes, everything works the old way.

The appropriate method can only be by promoting development and reform at the same time. At present we must, in particular, increase the weight of reform, strengthen the reform in the course of development, and let enterprises establish their status as main players in terms of property rights, interests, and management. We must enable investment to become increasingly a behavior among enterprises which, in the course of seeking the maximum profit, voluntarily improves their structures through market mechanism. At the same time, the reformed enterprises will be able to improve the input-output ratio and check their blind need for expansion. This will surely provide development with an internal motive force and adequate staying power.

We must produce high-quality products and economic development must have high productivity and high returns. Then it can be called a high-quality economy. In



this way, high speed can be maintained steadily and constantly. To realize all this, we must have faster and bolder measures to reform the state-owned large and medium enterprises.

### Ministry Lists Commended Highway, Shipping Projects

OW2309140393 Beijing XINHUA in English 1345  
GMT 23 Sep 93

[Text] Beijing, September 23 (XINHUA)—The Ministry of Communications today published a list of ten outstanding highway projects and ten outstanding waterway and port projects.

The top ten highway projects are: Shenyang-Dalian expressway, Beijing-Tianjin expressway, Anhui section of Nanjing-Hefei highway, Luoxi Bridge in Guangdong Province, Gaoji Strait Bridge in Xiamen, Beijing-Shijiazhuang highway, Harbin-Daqing highway, Nan-ning-Beihai highway, Guiyang-Huanguoshu highway and Taian-Qufu highway.

The ten waterway and port projects include the third phase of the Qinhuangdao coal wharf, extension of the Beijing-Hangzhou grand canal (Xuzhou-Yangzhou section), Rizhao coal harbor, Gangguan harbor in Shanghai port, second phase of Ningbo Beilun harbor and the coal wharf in Guangzhou Huangpu harbor.

Huang Zhendong, minister of communications, said that the major highway and port projects were selected by experts and they represented the best achievements in the construction of communications in China.

Over the past decade, communications in China have seen great development. By the end of 1992, the total length of China's highways reached 1.05 million kilometers, with 652 kilometers of expressways.

First-grade and second-grade highways reached 52,700 kilometers, up by 31,700 kilometers over 1985.

There were 177,000 highway bridges, 49,300 more than in 1979.

By the end of August, the number of port berths reached 1,078, up by 767 over 1979, and deep-water berths reached 323, up by 190.

Inland river navigation has also been improved, with 4,000 kilometers of sailing routes dredged.

### Bridge Construction Blamed for Chang Jiang Accidents

HK2409080093 Beijing CHINA DAILY in English  
24 Sep 93 p 3

[Report by staff reporter Xie Yicheng: "Bridges Are Blamed for River Toll"]

[Text] Worried by increasing accidents on the Yangtze River, the Ministry of Communications appealed for careful construction of bridges and dams on the river and its tributaries.

"We are fully aware that building Yangtze bridges facilitates traffic and the economic boom on both banks," an official from the ministry's engineering management department said.

"But the bridge designs must meet the standards required by inland river navigation, in terms of their height, site, and span," he said.

Statistics show that 23 bridges are under construction or will be built over the river.

Seven bridges currently cross the Yangtze, which shoulders 70 percent of China's total inland river freight.

Due to a lack of funds, many of the planned bridges are unlikely to meet proper specifications.

The Nanjing Bridge, 24 m above river level, denies 4,000-ton ships access to the middle reaches of the Yangtze.

Though a dozen Yangtze ports have been built to accommodate foreign vessels, fewer than 1 percent of the ships can actually pass the Nanjing Bridge and reach the ports.

Another problem is that some Yangtze bridges are to be built in "bottleneck" river sections that pose a severe threat to shipping safety.

"Local leaders and bridge designers will consider long-term effects when they plan future development on the river," the official said.

The ministry also hopes to work with localities and the Ministry of Water Resources to finance the renovation of dams.

More than 919 dams and locks have been built on the Yangtze for irrigation, power generation, and fishery purposes.

The majority, however, are poorly designed and hinder navigation.

While the Yangtze has 1.6 times the navigable mileage of the Mississippi in the United States, it handles only a fifth of the shipping.

This is due to poorly designed bridges and dams on the Yangtze's primary section, which have also led to a rise in accidents.

During the first half of this year, 213 accidents led to 87 deaths and the loss of 108 vessels.

The economic loss is estimated at 28.8 million yuan (\$5 million), a rise of nearly 140 percent over the same period last year.

And the rate of accidents continues to rise.

On July 4, two tugboats collided and then rammed into the Wuhan Yangtze Highway Bridge in Hubei Province.

Between July 12 and 27, three tugboats crashed into the Huangshi Yangtze Highway Bridge. One eventually sank.

#### **Xu Youfang Addresses Desertification Conference**

*OW2409132193 Beijing XINHUA in English 1235  
GMT 24 Sep 93*

[Text] Chifeng, September 24 (XINHUA)—China has successfully reclaimed a record total of 1.66 million hectares of desertified land during the past two years, marking a remarkable progress in its efforts to stave off the threat of further desertification, a senior official said here today.

Addressing a national desertification control conference held in this major city of Inner Mongolia, Xu Youfang, minister of forestry, said that currently China is going all out to rein in and afforest its desert land which totals 1.53 million sq [square] km, or 15.9 percent of the country's entire territory.

He said that an ambitious program has been launched by the government to transform sandy terrain and control further spread of desertification, which is menacing about a third of China's total land surface.

As part of the project, China plans to transform 6.6 million hectares of desertified land in the 1990s.

Xu said that control of desertification has been listed as one of China's top priorities by the government, which has pledged full support for the difficult but promising project.

According to the minister, China has afforested 170,000 hectares of sandy land by aerial seeding over the past two years, exceeding the total of the past 40 years.

Despite the progress, Xu said, China still faces a tough task to control the expansion of its land desertification, one of the world's most serious. China loses 4.5 billion yuan (about 800 million U.S. dollars) annually to desertification, which is caused mainly by human sabotage.

Excessive grazing, rampant cultivation, unchecked digging up of herbs and misuse of water and land resources have been major factors leading to desertification, the minister said.

Xu said that the government is adopting a package of measures, which include an increase of funds for the project and institution of legal means, to rein in and

transform further spread of desertification. Scientific research and popularization of technology will also be promoted, he said.

At the ongoing conference, officials and experts are discussing a major program to check desertification. Twenty projects, which involve 5.3 million hectares of sandy terrain, are being considered.

#### **Jiang, Li Peng Greet Meeting**

*OW2409153993 Beijing XINHUA in English 1420  
GMT 24 Sep 93*

[Text] Chifeng, September 24 (XINHUA)—China's President Jiang Zemin and Premier Li Peng today called for more efforts to control desertification and to reclaim deserts.

They sent a joint letter to the national conference of desertification control, in which they noted that China is one of the large countries in the world which have a huge area of deserts and suffer from desert erosion.

They said that the people, government officials and technicians living in the desert areas have devoted great efforts to desert control and the improvement of the ecological environment.

They urged the local governments to enhance their desert reclamation work and to create a new situation in controlling and transforming deserts.

The conference of controlling and transforming deserts opened in Chifeng city, Inner Mongolia Autonomous Region, today.

Xu Youfang, minister of forestry, said that China has afforested about 1.7 million hectares of desert terrain by aerial seeding over the past two years, exceeding the total of the past 40 years.

He noted that desertification is menacing about a third of China's total land surface.

Xu said that the government is adopting a package of measures, which include an increase of funds for the project and instituting legal means to control further spread of desertification.

State Councillor Chen Junsheng stressed the opening up of oases in deserts and he called for giving this work priority in economic development in the desert regions.

He urged that laws and rules on desertification control should be formulated and there should be more investment in control and reclamation.

## East Region

### Shanghai Official Reports on Economic Growth

OW2109065493 Shanghai WEN HUI BAO in Chinese  
25 Aug 93 p 1

[Unattributed article: "Shanghai Accelerates the Opening Pace and Strengthens Reform Intensity in January-June 1993, With the GNP Topping the Preceding Year's Corresponding Period by More than 14 Percent"]

[Text] While accelerating the pace of all-directional opening and strengthening the intensity of reform, Shanghai has maintained fairly fast economic growth and scored notable achievements in all fields of endeavor since the beginning of the year. Meanwhile, the municipality has brought the scale of loans and investments under control of the state plan by earnestly implementing the central authorities' macroeconomic regulatory measures and by actively balancing domestic and foreign markets. It has also stepped up efforts to provide different kinds of guidance with clear objectives and measures for implementation by various trades and professions. Therefore, despite changes in the macroeconomy, Shanghai has been able to maintain relatively strong economic growth.

In a report delivered yesterday to the fourth meeting of the 10th municipal people's congress standing committee on implementing the municipal plan on economic and social development in the first half of this year and on arrangements for work in the next half, Hua Jianmin, chairman of the municipal planning commission, said: Implementation of the economic and social development plan was generally good in the first six months, fulfilling the anticipated targets. In the first six months, the GNP had consistently grown at a double-digit rate, with a total of 63.274 billion yuan, or 14.5 percent more than the same period last year. Savings deposits by urban and rural residents rose by 6.096 billion yuan over last year's total amount. The average monthly volume of retail sales exceeded 5.4 billion yuan, an unprecedented brisk market phenomenon. In the first half of this year, the municipality, guided by domestic and foreign markets, accelerated the pace of the production structure's strategic readjustment. The volume of investments in fixed assets increased 71.5 percent over the same period last year, and the construction of key projects proceeded smoothly. We witnessed a sound financial situation, with balanced credits and loans, and revenues and expenditures. Construction of the Pudong New District has noticeably quickened, completing projects worth 6.175 billion yuan in terms of GNP in the first six months, or 18.4 percent more than the same period last year and 3.9 percent higher than the municipal growth rate. We also made headway in the functional development of small districts. The pace of all-directional opening has been accelerated and reform has been deepened. We attached great importance to science, technology, and education and advanced vigorously in all fields of endeavor.

Hua Jianmin said: Along with changes in the macroeconomic environment nationwide, a number of eye-catching problems have cropped up in the course of Shanghai's development. For example, as a result of a tightened macroeconomic environment, the shortage of funds has been aggravated; spiral commodity prices have made it more difficult to regulate and control prices; the growing factor of cost-pushing inflation has imposed a severe test to productive enterprises undergoing changes in their operating mechanisms; sluggish foreign trade exports have become a prominent factor impeding Shanghai's sustained economic growth; and with obstacles in carrying out engineering construction projects, municipal transportation problems remain rather serious.

Because of these factors, we expect economic growth in the second half of the year to be lower than during the first half, but economic growth for the whole year will still be quite high. In view of the major problems we face, Shanghai must focus on the following seven projects during the second half of the year. First, we must give priority to key issues and concentrate our efforts to put investment management in order, intensify macroeconomic regulation and control over fixed asset investments in Shanghai, control new projects, stop the highly consumptive and polluting projects requiring a great deal of transportation service—projects not in line with the course of Shanghai's industrial development—stop those construction projects that do not have necessary resources, and stop building villas and high-class apartments to ensure the needs of Pudong's development projects, major municipal infrastructures and housing construction projects, major technological renovation projects, and foreign-funded projects, the contracts of which have become effective. Second, we must put financial affairs in order, intensify tax collection and control, and regulate money-raising activities in society. Third, we must speed up restructuring industrial production and readjusting the product mix and organize production according to market needs. Fourth, we must speed up restructuring the foreign trade system, expand exports, continue to improve structures that promote economic growth, and strive to make this year's foreign trade growth in line with GNP growth. Fifth, we must improve the market system so that it can demonstrate its role as the economic center. Sixth, we must make proper arrangements relevant to the market, commodity prices, and wages to ensure people's needs. Seventh, we must establish sound mechanisms needed to strengthen macroeconomic regulation and control so that Shanghai's economic growth will reach a higher level this year.

### Li Zemin Addresses Zhejiang Party Conference

OW2109085293 Hangzhou ZHEJIANG RIBAO in Chinese  
15 Aug 93 pp 1, 2

[Unattributed article: "Study Theory, Unify Thinking, and Resolutely Implement the Policy To Promote the Sustained, Rapid, and Sound Development of Zhejiang's Economy"]



[Text] The Zhejiang provincial party committee held a meeting of city and prefectural party secretaries and mayors (commissioners) from 10 to 14 August. The meeting's main topic was to study the theory of building socialism with Chinese characteristics, focusing in particular on studying the major policy decision of strengthening macroeconomic regulation and control. During the meeting, participants earnestly analyzed Zhejiang's current economic situation, exchanged information on implementing the central authorities' major policy decision in various prefectures and cities, achieved unity of thinking, and defined the next stage of work and tasks. Li Zemin, Ge Hongsheng, Wan Xueyuan, and Liu Feng, leading comrades of the provincial party committee, presided over the meeting on separate occasions. Standing committee members of the provincial party committee, vice chairmen of the provincial advisory commission, deputy secretaries of the provincial discipline inspection commission, vice chairmen of the provincial people's congress standing committee, vice governors, executive vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, secretaries of city and prefectural party committees, mayors, and commissioners attended the meeting. Members and alternate members of the provincial party committee, leading comrades at the provincial level, and responsible comrades of various provincial departments and democratic parties attended the meeting to hear reports.

Participants reviewed the 14th national party congress report and Comrade Deng Xiaoping's important speeches during his inspection tour of southern China, and heard special reports on China's overall economic situation and on the establishment of a socialist market economy. Ge Hongsheng, executive deputy secretary of the provincial party committee, and Wan Xueyuan, deputy secretary and governor, spoke at the meeting. Li Zemin, secretary of the provincial party committee, gave a summation speech.

Li Zemin said: Since receiving the central policy decision on strengthening macroeconomic regulation and control, the provincial party committee and government have made earnest efforts to have the decision relayed, studied, and implemented. This has been done on top of what has been achieved in implementing the guidelines of the central meeting on the economic situation. Our leaders took the matter seriously. Their attitude was earnest, and their action was prompt. Some of the measures taken have begun to produce initial results. The central authorities realistically assessed our country's current economic situation and objectively analyzed the prominent issues in our economic life. The assessment and analysis also accords with Zhejiang's reality. The ideological guidelines put forward by the central authorities asking us to direct our attention to deepening reform and accelerating the transition from old to new structures, and to adopt a new thinking and approach to current issues, as well as the measures adopted by the central authorities to strengthen and

improve macroeconomic regulation and control are all correct and necessary. We must continue to earnestly unify our thinking and actively, comprehensively, and accurately understand the central authorities' policy decision. We must integrate emancipating the mind with seeking truth from facts. While seeking to seize the opportunity to accelerate development, we must be careful and prudent to avoid losses. We must integrate reform with development and explore new methods to carry out our economic work even more successfully and to promote the sustained, rapid, and sound development of the province's economy.

Li Zemin pointed out: A key issue in achieving unity of thinking is the way we approach the situation. We must soberly analyze the situation, affirm the achievement and main trend, and squarely face serious problems. There are currently two tendencies: On the one hand, there are those who think everything is fine. They lack adequate awareness of the seriousness of our problems and are inclined to leave things to chance. In addition, they are blindly optimistic. On the other hand, there are those who regard strengthening of macroeconomic regulation and control as all-around retrenchment. They feel helpless and negative about things. They are afraid of difficulties, are critical of others, and complain. Both mentalities are rather one-sided. We must objectively analyze the situation and dialectically approach issues. Mentally, leaders must prevent and overcome the principal tendency of underestimating the seriousness of problems. We must fully recognize that, guided and inspired by Comrade Deng Xiaoping's important speeches during his inspection tour of south China and the guidelines of the 14th national party congress, the situation in Zhejiang, as in the rest of the country, is generally good. Reform, opening up, and modernization continue to develop vigorously with good momentum. Great achievements have been made: First, our economic strength has greatly improved. Second, the pace of economic structural reform has accelerated. Third, society is stable, the people feel at ease, and urban and rural residents have higher income. With the improvement of living standards, the people are more capable of taking on reform. Fourth, with emancipated minds, the broad cadres and masses are seeking to seize the opportunity, clarify their minds, and accelerate development. They have displayed a strong entrepreneurial spirit, sense of responsibility, and pioneering and creative spirits. Departments at all levels and people in all walks of life are concentrating on economic construction. They suggest ways and means, and work with one heart and one mind to effectively push forward Zhejiang's reform, opening up, and economic development. We are likely to lose confidence and become disappointed and pessimistic if we fail to recognize these achievements. Obviously, we cannot afford to let success go to our heads; we must also recognize the serious problems in our current economic life and the dire consequences if we let them develop unchecked. Contradictions in our economic life are piling up, the macroeconomic environment is increasingly strained, and the difficulty of maintaining

high economic growth is mounting. The entire environment where economic activities are conducted has become strained. Disorder and inability to maintain high growth have surfaced in some sectors. Recently, the entire province has done a tremendous amount of work to meet the requirements of the central authorities. As a result, some contradictions have eased, and disorder and irregularities have somewhat stopped. However, some of the prominent problems in our economic life are still far from being effectively resolved. Their amelioration and resolution remain a difficult task. These problems are: First, investment in fixed assets is excessively large, exceeding what the national economy can stand. Second, funds are extremely tight, and the banking situation is quite serious. Third, communications, transportation, and energy are tight in every locality, and basic industries have become a bottleneck. Fourth, commodity prices have risen sharply, and the pressure of inflation has increased with each passing day. Fifth, we are facing financial difficulty and the arduous task of achieving balance between revenues and expenditures. In addition, there has been blind construction of development zones and development of real estate business. Earnestly analyzing these problems we are now facing will help us understand the overall macroeconomic situation, remain sober-minded, summarize experience, achieve unity in thinking, and improve work. Of course, they are problems that have come in the midst of progress and development. We must have full confidence in resolving them. The current macroeconomic regulation and control is aimed at resolving problems through reform measures and approach. It is not an all-around retrenchment but structural adjustment. The implementation of the central policy decision will create a more relaxed, orderly macroeconomic environment for our province's economy to develop faster and better. Our province is a region that has enjoyed relatively faster economic development. Our investment in fixed assets over the last several years has begun to produce results and has increased our economic strength. We have a material and technological foundation supporting relatively faster economic development. The market-oriented reform of the last decade and more, the existence of an ownership structure embracing diverse economic sectors with socialist public ownership as the mainstay, and the rapid development of an export-oriented economy developed since last year have instilled new life and vitality to our province's economy. Diligent, wise, and tempered in the practice of reform and opening up of the past years, the people of Zhejiang have gained experience in developing a market economy and have increased their ability to adapt themselves to the market. People across the province, from top to bottom, should have confidence, pluck up their spirits, make the most of their strengths, and work with one heart and one mind to maintain good momentum in developing Zhejiang's economy.

Li Zemin said: To earnestly implement the central policy decision, we should review and sum up our work experience since last year, study Comrade Deng Xiaoping's talks again, and further deepen our understanding of the

strategic ideology that development is the best approach. We should sum up the historical experiences of our nation in socialist construction and the international communist movement. We should seize, value, and better utilize opportunities to accelerate development. We must always uphold this strategic ideology without wavering at anytime. The ideology that development is the best approach consists of rich scientific references. When we talk about development, we should not again adopt a road that relies on high input, high consumption, extensive management, and unnecessary expansion to support high-growth and high-speed development. Such practice appears to be easier and able to yield quick results for the time being, but its growth is difficult to sustain. It can easily result in drastic fluctuations and will affect long-term development. We will pay a heavy price if we do not handle this task correctly. In accordance with Comrade Deng Xiaoping's strategic thoughts, the objective law of economic development, and Zhejiang's experience in development in recent years, we should, in our overall economic development plan, steadfastly continue to uphold and deepen the development strategy that focuses on upgrading the overall quality of the economy as well as on "laying a foundation, upgrading standards, and enhancing economic efficiency." In practice, we should pay attention to the following points: First, we should accelerate development according to our capability and to the best of our ability. We should consider both our needs and practicability. We should pay attention to playing safe and avoid sharp rises and falls. Second, we should uphold the principle of efficiency in accelerating development. As long as growth yields economic efficiency, we should accelerate it as rapidly as we can. Manpower and financial, material, and natural resources will be wasted if economic efficiency does not accompany growth. Third, accelerated development must be based on an optimized economic structure. The glaring contradiction in current economic development is the irrational structure, unstable agricultural foundation, and serious backwardness in infrastructure and basic industries. Current development will be restricted, and sustained long-term development will be affected if we do not solve this problem. Fourth, we must rely on science, technology, and education to accelerate development. In the final analysis, economic development and market competition depend on enterprises' scientific and technological standards, product quality, and workers' quality. Fifth, we should implement reform to accelerate development. We will be able to get out of the cycle of sharp rises and falls in economic development, inject vitality into the economy, and move onto a sound cycle only when we shake off the traditionally planned economy system and adopt a microeconomic regulation and control system that makes enterprises operate independently, assume sole responsibility for their own profits and losses, exercise self-restraint, and develop themselves; and only when we establish a scientific and efficient macroeconomic regulation and control system. Sixth, to accelerate development, we should insist on opening up to the outside world, link up with international markets, and



vigorously develop export-oriented economy to increase exports. Seventh, to accelerate development, we must maintain a coordinated economic and social development to form a sound social environment.

Li Zemin said: We must correctly handle the relationship between reform and development, promote development through reform, and find a way out by accelerating the transition from the old system to a new one. Fundamentally speaking, the contradictions and problems that have occurred in our current economic activities are caused by defects of the former system which have not been eliminated, and by blind expansion of investment; racing against each other for growth speed; the irrational industrial structure; chaos in the banking industry; lax financial discipline; and lack of an effective mechanism that keeps economic activities within the bounds of discipline because a socialist market economic system has not yet taken shape. All these are signs that reform has lagged behind schedule; in particular, in reform of banking, investment, and business accounting and taxation. The central authorities' recent drive to strengthen macroeconomic regulation and control provides good conditions for further deepening and accelerating reform. Macroeconomic regulation and control itself is also a reform. While deepening reform, we must particularly accelerate reform of banking, investment, and business accounting and taxation. Judging from our province's practice in reform over the past few years, we must still expend great efforts on the following seven areas with the overall objective of building a socialist market economic system firmly in mind: 1) We must look upon rationalizing the relationship between management and ownership as a breach, and take various forms and measures to accelerate transformation of enterprises' operating mechanisms; 2) we must focus attention on accelerating the process of making enterprises, instead of governments, become the major investors of projects, make good use of funds, and optimize the outlet for investment; 3) we must industrialize infrastructure construction and gradually work out a new method of accumulating funds, conducting comprehensive management, promoting development on our own, and speeding up construction; 4) we must further open our doors wider to the outside world, strengthen lateral economic ties, and expand the channels of raising funds and exploiting resources in both the big international market and the unified domestic market; 5) we must improve the mechanism of integrating the economy with science and technology, and enhance the overall quality of the economy by relying on scientific and technological advances; 6) we must accelerate reform of the systems of insurance for the unemployed, old-age pensions, and medical care, and improve the social security system; and, 7) we must earnestly change government functions and gradually evolve a business management method that separates government functions from those of enterprise, provides service, exercises supervision, and implements macroeconomic regulation and control.

Li Zemin said: We must correctly handle the relationship between the part and the whole, conscientiously uphold

the unity of central government decrees, and have some accomplishments. At present, the fear of being in an unfavorable situation generally exists in all areas. They are afraid of not being as good as others. Some areas emphasize their special local conditions, and demand retention of all the projects which they have started. Viewed from the partial perspective of an area, some problems that stand out in our economic life may appear inconspicuous, not serious in the immediate future, or even reasonable. A correct analysis and judgment can be made only from the perspective of the whole, the macroeconomic situation, and the trend of future development. The necessity for the part to be subordinated to the whole; for the whole party to obey the central authorities; and for us to maintain a high degree of unity in respect to organization and actions in the whole party and to maintain unity of government decrees, has always been our party's rule and is a political discipline that must be observed by every communist. We must not be vague on this matter. Viewed from the perspective of economic construction and economic development, the part must also be subordinated to the whole. The development of the part is inseparable from the macro environment of the whole. As China witnesses a tight situation in the macro environment with an overall shortage of capital funds and raw and semifinished materials, and increasingly serious restrictions by the "bottleneck" of energy supply and transportation, it will be hard for our province to continue its economic pattern of "high growth rate and accelerated operations." Only by knowing the whole situation well can we do a better job in invigorating the local economy. We must foster an idea of taking the whole into consideration and conscientiously subordinate ourselves to the macro control of the central authorities to safeguard the overall interest. In serving the whole, we, as a part, might be affected in some respects or be forced to make certain sacrifices. Ideologically and mentally, we must be prepared for this. We must take the initiative in adapting our work to the new situation. We must act according to our capability, and according to the order of importance and emergency so that our economic development plan will be in line with realities and more practicable. By stressing the importance of the part being subordinate to the whole, we do not mean that there is not a role for the part to play. Invigorating the part is beneficial to supporting and guaranteeing the interest of the whole. To strengthen macro control, we certainly need to exert great efforts in readjusting the economic structure, concentrating on the improvement of our infrastructure and basic industry, depending on scientific and technological progress, enhancing management, tapping potential, utilizing international and domestic markets and resources, and promoting the overall quality and export-orientation of our economy. We also need to make more efforts and strive to resolve the deep-seated problems in our economic life by seeking a way out through deepening reform.

Li Zemin pointed out: Under the current situation, leading cadres at all levels should not only maintain a high spirit but also a sober mind. They should better integrate their effort to emancipate their minds with their effort to seek truth from facts. They should improve their ability to



control the overall economic situation. The key to emancipating the mind, seeking truth from facts, and enhancing leadership lies in conscientiously studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and in striving to have a correct and overall understanding of this theory. This is a fundamental guarantee for enhancing our leadership and avoiding big mistakes in our work guidance. In order to adopt a correct guiding principle for economic work and to improve our leadership of economic work, we should study hard and understand the theory of and our knowledge of macroeconomics and should particularly study earnestly the theory and knowledge of the socialist market economy, because these theories and knowledge are also important components of the theory of building socialism with Chinese characteristics. We must consciously uphold the ideological line of applying a practical approach in our work and must uphold dialectical materialism at anytime and on any issue. We should base our work on actual conditions and work in accordance with the objective law, as well as prevent and overcome blindness and one-sidedness in our work. In exercising leadership, we must at all times firmly consider economic construction to be the central task. We should know how to take all factors into consideration, control the overall situation, coordinate with all sides, and pool our efforts. Departments at all levels must persistently and consistently be responsible to their work superiors and subordinates. Under the prerequisite of safeguarding the unity of central orders and complying with macroeconomic regulations and control, we should actively use our minds and bring into play our subjective dynamic role to realistically combine central principles and policies with actual local conditions and to work creatively. We should continue to experiment and explore boldly by adopting the standards of "conduciveness to three causes" [conductive to developing the productive forces of the socialist society, to increasing the overall strength of the socialist country, and to improving the people's living standards]. We should continue to maintain the continuity of policies and persist in and perfect those policies, measures, and innovations of the vast number of cadres and the masses which have been proven in practice to be conducive to invigorating the economy and enterprises. We should do practical work and deal with different things in different ways, and we should not do things in an oversimplified way that will destroy our economy. We should enhance our farsightedness. In solving existing problems, we should apply both temporary and permanent measures. We should strive to create conditions and lay a sound foundation for long-term development and for deepening the reform. We should pay attention to investigation and study and be good at realizing and promptly summing up the innovations made by grass-roots cadres and masses in the course of practice. We should guide the work of the area, advocate a down-to-earth work style, and solve problems one by one at the grass-roots-unit level. We should pay attention to overcoming the tendency of doing one thing and neglecting another. We should build both material and spiritual civilization and attach equal importance to both. This is the way to meet the requirements of our work, as well as an excellent ideological approach and an

excellent manner of leadership. While concentrating our efforts on economic construction, we should attach importance to party building, to the building of a spiritual civilization, and to promoting democracy and the legal system so as to ensure smooth economic construction.

We must properly protect, guide, and bring into play the initiative of cadres and the masses, and prevent and eliminate blindness by strengthening ideological and political work. Leading cadres must have the courage to bear the burden for their subordinates of the work-related problems that have appeared, and they must summarize experience in a positive way. Instead of making discouraging remarks or complaining, blaming others, or causing their subordinates to argue, leading cadres must stress the enhancement of vigor, stability, and unity, and they must work together with their subordinates with one mind. Our leading cadres at all levels must be good at creating favorable working conditions and favorable public opinion for lower-level comrades to carry out their duties, seek development, and vie with each other in contributing.

Li Zemin stressed: In carrying out our work now and for a certain period of time to come, we must unswervingly be guided by the theory of building socialism with Chinese characteristics and the party's basic line; persist in the ideological line of seeking truth from facts; proceed from the realities of reform and development in our province; conscientiously implement the measures adopted by the central authorities on strengthening macroeconomic regulation and control; focus attention on stabilizing agriculture, the banking situation, commodity prices, and society; successfully deepen reform, expand opening to the outside world, transform mechanisms, change functions, adjust the structure, and improve beneficial results; strengthen the building of the party's style, a clean and honest government, and a spiritual civilization; step up the comprehensive control of social order; and promote sustained, rapid, and sound economic development in our province. Our overall requirement is to ensure development amid stability, promote development through reform, and seek development despite shortages. Specifically, we must carry out our work successfully in the following areas: 1) We must attach importance to grain production and stabilize the role of agriculture as the foundation of the national economy; 2) we must stabilize the banking situation and optimize the structure of credit; 3) we must integrate the control of the scale of investment and optimize the structure to guarantee the success of key projects; 4) we must stabilize commodity prices and be concerned with the well-being of the people; 5) we must successfully carry out industrial production and increase economic results; 6) we must deepen reform and accelerate the transformation of mechanisms; 7) we must increase our opening to the outside world and accelerate the development of the export-oriented economy; 8) we must increase revenue, cut spending, and ensure a balance between financial revenues and spending; and 9) we must persist in "grasping the two links at the same time"

[promote reform and opening to the outside world and crack down on criminal activities]; strengthen the building of the party, a clean and honest government, and a spiritual civilization; conscientiously struggle against corruption; and maintain social stability.

### Central-South Region

#### Shenzhen Issues Report on Explosion Investigation

HK2309130193 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0429 GMT 22 Sep 93

[By reporter Wang Min (3769 2549)]

[Text] Shenzhen, 22 Sep (ZHONGGUO TONGXUN SHE)—A few days ago, Shenzhen City relayed to various departments the conclusions of the special state expert investigation team, headed by the state labor department, on the explosion that broke out in Shenzhen on 5 August.

The results confirmed that it was a serious accident arising from negligence.

The investigation maintained that the major cause of the extraordinarily large explosion on 5 August was that the warehouse, designed for dry goods and general merchandise, had been illegally transformed into a warehouse for dangerous chemical products. The dangerous chemical products were stored in the warehouse in gross violation of the relevant rules and regulations. The investigation also concluded that the direct cause of the extraordinarily large explosion and fire on 5 August was that oxidizer and reducing agents were stored in the No. 4 warehouse for dry goods and general merchandise in a disorderly manner, which permitted the chemicals to come contact with one another and spark the blaze.

The investigation concluded that the following bodies should be held responsible for the accident.

The Shenzhen City Government is responsible for the following matters: 1) As the local comprehensive management organization, the Shenzhen City Government did not examine the overall layout of the Qingshuihe Warehouse Area in accordance with the relevant state safety regulations. Consequently, warehouses storing flammable, explosive, and highly poisonous materials, livestock, food, were located alongside liquified petroleum gas tanks and other facilities in an area which did not conform to the relevant regulations and failed to keep a safe distance from residential areas and roads, thus creating the great hidden danger that threatened the safety of Shenzhen City. 2) It authorized the establishment of the Shenzhen City Anmao Dangerous Articles Storage and Transport Company without conducting strict inspections in accordance with the relevant rules and safety regulations promulgated by the State. 3) It slackened its efforts in supervising and inspecting the public security department's fire prevention work. 4)

Shenzhen City's water shortage problem remained unsolved for a long time. The firefighters lost their chance to extinguish the fire created by the extraordinarily large explosion on 5 August at an early stage because they did not have enough water.

The Shenzhen City Public Security Bureau is responsible for the following matters: 1) As the government department in charge of issuing permits for civilian explosives, the Shenzhen City Public Security Bureau issued permits authorizing the storage and transfer of dangerous articles without conducting strict inspections in accordance with state rules and regulations, thus enabling the Anmao Company to legally run the business of storing civilian explosives without following the safety conditions prescribed by the state. 2) The Shenzhen City Public Security Bureau fire department issued a notice on 13 February 1991 ordering that the fire hazard be removed from No. 6 warehouse in the Qingshuihe Area, but it did not carry out any follow-up supervisory activities or safety inspections. Consequently, the serious fire hazard remained, and this led to the accident.

The Anmao Dangerous Articles Storage and Transport Company is responsible for the following matters: 1) The feasibility report for establishing the dangerous articles company violated state rules and regulations and did not reflect the real situation. The report withheld the truth and described the warehouse for dry goods and general merchandise, which did not meet the safety requirements, as a warehouse for dangerous materials which did meet the safety requirements. 2) After receiving the notice ordering the removal of the fire hazard, the company did not take the action prescribed by the notice and this led to the accident. 3) Ignoring the regulations concerning the storage of different kinds of dangerous materials, the warehouse management was chaotic, and various dangerous chemical products were stored haphazardly, which directly caused the explosions and fire.

It has been learned that the State Council has accepted the proposals put forward by the expert investigation team and has decided to place this case on file for investigation. The Ministry of Supervision will be responsible for the investigation and the relevant departments of Guangdong Province will take part in it, whereas the Higher People's Procuratorate will assign personnel to participate in the investigation in advance to further ascertain who should be held responsible for this accident and to propose ways to deal with the people involved in this case.

#### Hainan Secretary Discusses Economic Development

HK2109090893 Hong Kong TA KUNG PAO in Chinese 30 Aug 93 p 6

[Report on interview with Ruan Chongwu, Hainan Provincial CPC Committee secretary and concurrently governor, by staff correspondent Hsiang Yu (6717 3768);

place and date not given: "Interview With Ruan Chongwu, Hainan Provincial CPC Committee Secretary and Governor"]

[Text] Under the central authorities' macroeconomic control and regulation as well as the monetary retrenchment policy, Hainan's economy, like the sweltering summer days in Hainan, is developing by leaps and bounds along the orbit of the market economy in a stable and healthy fashion. This is the impression this reporter was given on the economic growth of the treasure island during a recent visit to Hainan.

The main agenda for my tour was to interview Mr. Ruan Chongwu, secretary of the Hainan Provincial CPC Committee and concurrently governor, who assumed these offices just a few months ago. During my visit, Mr. Ruan Chongwu was presiding over the Second Provincial CPC Congress since the founding of Hainan Province; in addition, as Hainan governor, he was occupied with a myriad of administrative affairs every day. Although he was so busy, when he heard a Hong Kong reporter had come to interview him, Mr. Ruan said he would manage to find time for the interview. Under arrangements made by his secretary Mr. Cui Xu, I finally met him in his reception room.

Before me stood an old friend of the Hong Kong media. Wearing a short-sleeved white shirt, white trousers, and a pair of white sports shoes, Mr. Ruan looked energetic and was quite impressive. Although he seemed a little plumper than he had been several years ago, he looked in his fifties; as a matter of fact, he is already over sixty years old.

#### **The Austerity Policy Has Produced Little Impact on Hainan**

Talking about the issue of Hainan's economy, he looked especially excited. When asked about the possible impact on Hainan by moves by the central authorities to strengthen macroeconomic control and regulation and to rectify the monetary order, Mr. Ruan indicated that the long-term development of Hainan's economy will benefit from the central authorities' recent move to rectify the monetary order; and Hainan's short-term economic growth has not been hit by the move either and it still maintains the strong momentum of a healthy and high-speed development. Having heard various stories about Hainan before coming to the province, such as "the central authorities are expected to transfer 10 billion yuan out of Hainan"; "Hainan's economy is nothing but a castle in the air"; "Hainan suffers from an overheated economy and its chaotic real estate market is on the verge of collapse"; "Hainan's economic situation is very grim"; and so on, this reporter was anxious to hear Mr. Ruan's explanations. Mr. Ruan pointed out: Hainan's economy is undergoing a stable growth and what is especially gratifying is its financial revenue, which has increased by 116 percent in the first half of this year over the total revenue of last year. Such a growth rate is rare anywhere in the entire world. Enterprises in Hainan enjoy sufficient funds, and the total

amount of capital loaned to places outside Hainan is higher than the amount Hainan has borrowed. All the construction on Hainan island is going on at a normal pace, and the construction of basic facilities, in particular, has reached a high tide. Since the beginning of this year, Hainan's industrial production has increased at a growth rate of 30 percent.

Ruan Chongwu pointed out: One of the major reasons why the central authorities' austerity policy has made little impact is because Hainan has boldly accelerated the pace of establishing a market economic system while pursuing a high-speed economic growth. For example, Hainan Province is the first in the entire country to successfully lift control over prices of consumer goods and the means of production. In addition, Hainan has set up markets for major elements, including capital, technology, information, labor force, securities, and real estate. Since the beginning of this year, all these markets have undergone rapid development, enjoying a much improved organizational level and brisk business. Hainan's financial market and the total volume of foreign exchange conversion rank among the first in the entire country and its real estate market is now much more standardized and mature than before. This year, the government decided to speed up the pace of transforming the operational mechanism of enterprises and accelerate the implementation of a joint stock system in enterprises. During the period from the beginning of this year till now, Hainan has set up nearly 100 joint stock enterprises and occupies a leading position in the country, both in the number and the standardization level. Of the newly approved joint stock enterprises, most are engaged in infrastructure construction, including an airport, expressways, and power plants. This move is beneficial to stabilizing Hainan's construction capital. In addition, Hainan's bold reform of the operational mechanism has given an initial form to a new systematic framework relying mainly on market regulation. With this new framework currently functioning in the market, the recent austerity policy has exerted little adverse impact on Hainan.

Ruan Chongwu admitted, however, that Hainan's real estate market has sustained some losses during the recent economic rectification and the tightened control over money supply will continue to exert certain pressure on Hainan's real estate market for a short time (there have been fewer transactions and the prices of unfinished houses have dropped, yet finished residential houses still enjoy good sales). Through this financial rectification Hainan's real estate market will gradually become mature gradually and speculators will be forced to give up their short-term behavior of speculating on residential houses and join the ranks of land developers. As a result, residential houses will be accessible to those who really want to buy houses to live in.

Meanwhile, the recent financial readjustment will also help give form to a second-level real estate market in Hainan. Ruan Chongwu was optimistic about the development prospects for Hainan's real estate market. He



pointed out: It is groundless to say that "Hainan's real estate market is a castle in the air," for Hainan Special Economic Zone is taking a road of economic development which is totally different from that taken by the national economy. The Hainan Provincial Government recently put forward a development plan wherein Hainan will "rely on the leading industry of tourism and bring about advanced development to the tertiary industries." Mr. Ruan indicated: Judging from the present development of the world tourist industry, the total business volume of the world's tourist industry amounted to as high as \$3.5 trillion in 1992. Although the development of other industries was affected to varied degrees by economic recession in the West, the tourist industry outshone others with a growth rate remarkably higher than that of 1991. The total number of tourists and the total revenue from tourism in 1992 increased by 4.6 percent and 6.8 percent, respectively, over 1991, making tourism the province's biggest industry. Hainan abounds in gifts of nature and enjoys unique tourist resources which cannot be created by man. The province has set out to develop 10 major tourist zones where hotels, guest houses, tourist resorts, holiday villas, and fitness centers and facilities will be built. All these are property investment projects, thus providing an extensive market for real estate development. Therefore, Hainan's real estate development is not a castle in the air but an industry with fairly good potential.

#### Number of Foreign Investors Increases Rapidly

Ruan Chongwu pointed out: Hainan's present gratifying situation can also be seen in the recent high tide of overseas investment in Hainan. As China's biggest special economic zone, Hainan has adopted an exceptionally preferential policy for overseas investment. Since the beginning of this year, the Hainan provincial government has focused its work on optimizing the investment environment as well as on establishing a market economic system. For example, Hainan is the first province in the country to reform the enterprise registration system, changing it from one of registration upon approval to one of direct registration. This means that registration procedures have been simplified and enterprises which apply for registration can register directly with departments in charge. The number of documents originally requested for the registration of an enterprise legal person has been reduced from 10 to two; the original control over operational scope and modes has been relaxed; the number of projects and industries originally put under the special examination and permit management system has been reduced from over 130 to 24; and the various restrictions on business operations have been lifted. Meanwhile, work efficiency has been improved and the period required for enterprise registration shortened from one month to seven days. This move has greatly aroused the enthusiasm of foreign businessmen to invest in Hainan. Recently, the provincial government also decided to adopt the joint stock system in raising funds for key basic projects. As a result, limited companies have been set up for such projects as the Hainan Airport, an expressway, and a large-scale

power plant, and sufficient funds were raised in a short period of time. This move has improved Hainan's investment environment and reinforced the confidence of foreign businessmen to make investment in Hainan, thus turning Hainan into a favorite investment spot for foreign businessmen. During the past five years since the founding of Hainan Province, the total amount of foreign investment Hainan has used, has increase at an average annual growth rate of 125 percent, while the total amount of foreign investment introduced from abroad, has increased by 81 percent. After the above reform package was adopted, the number of foreign investors in particular in Hainan is growing rapidly and the total foreign investment attracted by Haikou and Sanya has increased by over 500 percent over the same period last year. Foreign investment has maintained the same strong momentum even after the central authorities announced the adoption of the austerity policy.

Ruan Chongwu revealed to this reporter that at the Second Hainan Provincial CPC Congress, he called on the whole province to "strive to turn Hainan, in 20 years' time, into a province which enjoys advanced science and technology, economic prosperity, political democracy, a perfected legal system, and social civilization; a province which can provide its people with an affluent life; and a province which ranks among the advanced provinces of the entire country, with its general economic development level reaching that of moderately developed countries and regions." In short, Hainan plans to catch up with Asia's "four little dragons" in 20 years' time. This is another target Ruan Chongwu has put forward since he took office in Hainan. Hainan is the second province, following Guangdong, to raise the slogan of catching up with Asia's "four little dragons" in 20 years' time. Can Hainan meet this target? Mr. Ruan indicated that the Hainan people have the ability and confidence to realize this grand goal.

#### Putting Forward the Target of Catching up with Asia's "Four Little Dragons" in 20 Years' Time

Ruan Chongwu pointed out: Firstly, Hainan has a unique geological environment. As China's second largest island, Hainan has an area of 34,290 square meters with a coastline of over 15,000 km. The ratio of flatlands and mountains on the island is 7:3, while that on Taiwan Island is 3:7. Located on the West Pacific Ring Belt between Japan and Singapore, Hainan is close to Hong Kong and Macao to the north, and Southeast Asia to the South. Therefore, Hainan enjoys great advantages in ocean shipping, and air flights to Hong Kong, Macao, Japan, and Southeast Asian countries take fewer than three hours. Such an important geographic position has provided Hainan with very convenient conditions to strengthen and promote its economic and technological cooperation and trade with Hong Kong, Macao, and countries in Southeast Asia.

Everyone knows that Hainan is a major production area for tropical plants, and its rubber output accounts for over 70 percent of the country's total. Hainan's iron ore is of the

best quality in the entire country, while other products all enjoy great potential for further development.

Hainan enjoys the world's richest tourist resources, which also have great potential for further growth. Hainan, which is green in all four seasons, has been bestowed with perfect tourist conditions of "sunshine, sea, beaches, green trees, and fresh air." It has fascinating bathing beaches, the mainland's last tropical forests, and mysterious villages inhabited by the Li and Miao minority nationalities. Many overseas Chinese and foreign guests have highly recommended Hainan's scenery to this reporter after their visits to the island. In light of the special features of Hainan's different tourist spots, the Hainan provincial government plans to develop "six major tourist center systems" and "10 major tourist development zones." The six major tourist center systems will be set up in Haikou, Shimeiwan, Sanya, Wuzhishan, Jianfengling, and Xisha. The 10 major tourist zones are, namely: Guilinyang Tourist Development Zone (located on a 6 to 8-km-long fine-quality beach in Qiongzhan County); Baishazhou Tourist and Entertainment City (which is 80 km from Haikou City and covers an area of 1,000 mu); Hongshulin Tourist Zone (located in the Hongshulin National-Level Natural Protection Zone in Dongzhai Port, Qiongzhan County); Tongguling Tourist Development Zone (located in Haitangao Fengwan in Wenchang County); Wanquanhe Tourist Development Zone (located in the middle reaches of the Wanchuan He and covering an area of 46 square km in Qiongzhan County); the Shimeiwan Scenic Spot; the Yalongwan Tourist Development Zone (located in Sanya City and listed among 42 national-level tourist resorts and centers by the State Council); and the Wuzhishan Tourist Development Zone (ranked as an A-level tourist spot by the International Tourist Organization, the tourist zone is an ideal place for hunting and mountain climbing). Today, these 10 major tourist zones have become major investment spots for foreign businessmen. It is predicted that the construction of these tourist zones will be well underway in the coming few years, and their development and construction will bring along the development of Hainan's entire economy. By then, relying on the leading industry of tourism and the pillar industry of real estate, Hainan's economy will surely rise to a new stage.

Abundant marine resources are another major Hainan advantage. Authorized by the National People's Congress to administer the islands and waters of the Nansha [Spratly] Islands, Xisha [Crescent Group, Paracel] Islands, and Zhongsha [Amphitrite Group, Paracel] Islands in the South China Sea, Hainan is the province with the largest sea area of China's 31 provinces. The blue South China Sea is located between the world's two largest oil and gas reserve belts, and surveys indicate that the total oil reserves in the area are worth as much as 78.7 billion [no currency as published]. In addition, the reserves of associated natural gas are also on an enormous scale. Starting as early as the 1960's, more than 60 foreign oil companies have engaged in offshore exploration here, and China's neighboring countries are also

active in exploring the South China Sea. Vietnam, which has 27 islands, used to rely on imported oil in the past but, after it started to explore offshore oil resources, the country has become more than self-sufficient in oil. Brunei, which has only one island, has also become the richest country in the world as a result of its exploration of offshore oil resources. Countries adjoining the South China Sea have not yet reached consensus on territorial waters, but this should not be an obstacle to peaceful joint exploration and development under the prerequisite of recognizing China's sovereignty over the South China Sea islands. Some experts have indicated that, compared with inland provinces and other special economic zones, Hainan's essential advantages lies with the sea, although such potential advantages are still in a "maiden" state.

Prospects are appealing for China and Taiwan to jointly develop the South China Sea and both sides of the Taiwan Strait have made similar suggestions. Some Taiwan businessmen told this reporter frankly that, to Taiwan businessmen, the most attractive long-term investment in Hainan is oil in the South China Sea.

Ruan Chongwu disclosed that Hainan is currently taking vigorous efforts to explore and develop oil and natural gas resources in the South China Sea and many foreign businessmen have come to seek cooperation with the province. He indicated that oil and gas pipes, including the ones supplying gas to Hong Kong consumers, are being laid in a marine natural gas field on southern part of Hainan Island, which is expected to supply gas to Hainan, Hong Kong, and Guangdong's Zhuhai and Shenzhen in 1996 as scheduled.

Ruan Chongwu believes that industry is a weak link in Hainan's economy. To realize modernization in 20 years Hainan must optimize its industrial structure and have well-coordinated development in its tertiary, secondary, and primary industries. Therefore, while calling for advanced development in tertiary industries, the Hainan Provincial Government is devoting great efforts to promoting or attracting foreign investment for a number of heavy industrial projects, including a 6-million-tonne oil refinery, an 1.2-million-tonne steel plant, a natural gas chemical fertilizer factory, a 100-thousand-tonne cold-rolled steel plant, an 800,000-tonne cement factory, a polyester sheeting factory [ju zhi qie pian chang 5112 5176 0434 3651 0617], and a radial tire factory.

Ruan Chongwu indicated: The development of Hainan's natural resources and its economic take-off depend, to a considerable extent, on the progress of Hainan's infrastructural construction, such as transportation and telecommunications. What is gratifying is that Hainan has made major breakthroughs in infrastructural construction during the past five years since its founding. Hainan's power production has increased by 400 percent; the Sanya Phoenix Airport, which is being built on loans granted by the French Government, has completed the paving of runways and is expected to go into operation on 1 July next year; and the Haikou-Qiongzhan

Section of the East Line Expressway, which is being built using Japan's second batch of loans, has already been completed and put into operation. This reporter has learned that in its Green Paper on Hainan's Regional Development, published after its two-year survey on Hainan, the World Bank spoke highly of the evident improvement in Hainan's investment environment.

Ruan Chongwu disclosed that the Hainan provincial government recently worked out a plan for future development. To improve its transportation conditions, the province will accelerate the construction of expressways and grade highways, strive to link up cities and counties with expressways and vehicle-only highways by the end of this century, and reach the country's advanced level in the density and grade of highways; speed up the construction of the Sanya Phoenix International Airport, Haikou Mailand International Airport, and their corresponding facilities in Yangpu and Tongshi, striving to attain a passenger transportation capacity of 15 million or more by the year 1997; expedite the construction of deepwater ports including Yangpu Port, Jinpai Port, Dongshui Port, and Longwan Port, and try to bring the total port handling capacity up to over 50 million tonnes by the year 2000; and step up the construction of Hainan's railroad thoroughfares, striving to link Hainan's railroad network with the mainland trunk railroads. To step up energy production, Hainan plans to first develop thermal power and natural gas at the present stage and then nuclear power at a later date. Efforts will be made to speed up the construction of power projects including the Guangba Power Station, Nanshan Power Plant, Yangpu Power Plant, the Third Phase Project of Machuan Power Plant, and eight power plants and transformer projects, striving to attain a per capita power generating capacity of 1,000 kwh by the end of this century. Mr. Ruan indicated that the Hainan Provincial Government has decided to raise funds for infrastructural construction by joint stocks and granting comprehensive compensation. It is gratifying to see that after the Hainan provincial government decided to adopt the joint stock system for key infrastructural projects, huge funds have already been raised through various channels for key transportation and energy projects; limited companies for the Hainan Airport, Expressway, and Nanshan Power Plant have been set up one after another; and sufficient funds have been collected within a short period of time. Of these key infrastructural projects, the airport has seen its general capital stock standing at 1 billion yuan, an amount much higher than the budgeted capital; while the expressway and Nanshan Power Plant projects only took half a month to raise general capital stocks of 1 billion and 200 million yuan, respectively. It is predicted that more and more domestic and overseas financial groups will take an active part in Hainan's infrastructural construction; as a result, Hainan's high-speed economic growth will be guaranteed and Hainan can surely reach its goal of catching up with advanced and moderately developed countries in 20 years' time.

#### Open in Work Style and Close to the Masses

For a long time, rumors have been spreading in overseas areas that Hainan is in a chaotic state, that there are many prostitutes, and that mainland cadres cannot get along well with native residents. During the recent period in particular, there have been more rumors about Hainan, and people claim that the recent financial austerity is mainly directed at Hainan and Guangdong. However, during my tour of the island, this reporter found that Hainan is forging ahead at a tremendous pace and is undergoing amazing changes, making the overseas rumors sound superficial and very unfair to Hainan. At present, Hainan's economy is flourishing and the real estate market has not come to a halt because of the recent monetary rectification. The present situation is still sound, though inactive, and is developing in a healthy direction. As regards the economic order, things in some fields seem somewhat chaotic, yet this may not be bad in a certain sense. Chaos is inevitable in certain fields during the course of the old system being replaced by the new one, and things may seem a bit chaotic superficially when they undergo changes. Judged from a deeper level, Hainan ranks among the first in the entire country in carrying out the cause of reform. Meanwhile, Hainan is making efforts to deepen reform on a constant basis and enjoys a much greater vitality today. All these accomplishments attained by Hainan are attributable to Ruan Chongwu's efforts to step up the dynamic of Hainan's reform and opening up soon after he assumed office in Hainan. As Hainan's top leader, who is called by locals the "super official from Beijing," Ruan Chongwu has rich experience in government administration (he once served in the Chinese Embassy in Germany and has held the posts of Shanghai executive vice mayor and then minister of public security during the period when Hu Yaobang was in power). Being both the provincial party secretary and governor, Ruan Chongwu enjoys absolute authority in the province. He has boldly urged the Hainan people to use the experience of foreign countries for reference, to set up a market economic system in Hainan which conforms to international practices and norms, and to take the lead in changing the country's enterprise registration system from one based on approval to one featuring direct registration. He has also vigorously promoted the reform of the enterprise joint stock system, called for efforts to "mainly rely on the leading industry of tourism and bring about advanced development in the real estate industry," and put forward the target of catching up with Asia's "four little dragons" within the coming 20 years. With all he has done for Hainan, Ruan Chongwu has established for himself an open image in the hearts of the Hainan people. What merits special notice is that Ruan Chongwu pays attention to maintaining a balance among various relations and takes the initiative to communicate with "local cadres." For example, on the second day after he assumed office in Hainan, he first called on several influential "local veteran cadres" and then hurried to a number of cities and counties to acquaint himself with the economic situation there. In addition,



he often visits local residents in their houses to become familiar with their daily lives. His hard work and amiable character has won him an image of being close to the masses and made a good impression on both local residents and cadres from outside Hainan. It has been learned that before Ruan Chongwu took up his post in Hainan, when asked which governor they considered the best since the founding of Hainan Province, the local people of Hainan would often name Lei Yu (who was head of the Hainan Administration Office before the founding of Hainan Province); yet people all say today that this Ruan Chongwu seems quite capable. Among all the "officials sent by the central authorities," including Lei Yu, Ruan Chongwu is the only one who can win such a high reputation within such a short time. Of course, Ruan Chongwu is, after all, still new in Hainan and many Hainan people say that they will wait and see. All Hainan people cherish the heartfelt wish that he can make Hainan more prosperous, rich, and strong, and that he can always maintain his good image.

### Northeast Asia

#### Heilongjiang 'To Accelerate' Private Economy

OW2409025793 Beijing XINHUA in English 0123 GMT 24 Sep 93

[Text] Harbin, September 24 (XINHUA)—The Heilongjiang provincial government in northeast China recently decided to accelerate the growth of the private economy.

In a circular issued by the government, it noted that the scope of the private economy, the operational forms of private business and the number of people engaging in individual and privately-owned businesses will be expanded.

It noted that export-oriented individual and privately-owned businesses will enjoy the same favorable treatment and equal policies with state-owned and collectively-owned enterprises.

It said that staff in enterprises and institutions can take moonlight jobs or take concurrent jobs in private enterprises with the approval of their units.

Private businesses are being encouraged to launch joint ventures with foreign firms and introduce foreign funds and advanced technology, it added.

It said that some of the private enterprises can also run businesses in foreign countries.

#### Heilongjiang's Raohe Port Opens to Foreign Trade

SK2209131893 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 21 Sep 93

[Text] Raohe Port, which is our province's largest waterway foreign trade port, formally opened to the outside world on 21 September. Raohe Port is Ussuri Jiang's

sole port opening to the outside world and its designed annual cargo transport capacity is 1 million tonnes.

After opening, this port will be of major significance in stimulating our province's eastern area to participate in the international economic great cycle and develop river-sea relay transportation.

#### Jilin Group Visits Foreign Coastal Cities

SK2309131793 Changchun JILIN RIBAO in Chinese 12 Sep 93 p 1

[By Reporter Xie Shouzheng (6043 1343 7109): "Some Members of Jilin Provincial Group of Inspection Around the Sea of Japan Visits the DPRK"]

[Text] Some members of the provincial group of inspection around the Sea of Japan, headed by Zhang Dejiang, deputy secretary of the provincial party committee and secretary of the Yanbian prefectural party committee, left Yanbian for Chongjin city of the DPRK on 6 September to join the inspection group from Qingdao, which had arrived in Chongjin in the previous stage, to inspect the Sea of Japan. There are two tasks for inspection: First, conducting exchange activities, propagating Jilin and Yanbian in the countries around the Sea of Japan, and introducing the situation of Tumen Jiang to them; second, inviting business. The inspection group left Chongjin on the evening of 7 September to successively inspect Vladivostok of the Russian Federation; Japan's three counties, including Tottori; and the ROK's East Sea, Chunchon, and Seoul; and also visited the local leaders. The inspection activities will last for 21 days.

#### Jilin Reports on Semiannual Foreign Trade

SK2409120793 Changchun JILIN RIBAO in Chinese 13 Sep 93 p 1

[By Wu Xiaotie (0702 1420 6993) and reporter Liu Lihua (0491 5461 5478): "Our Province's Foreign Economic Business Has Been Brisk"]

[Excerpts] On the basis of achieving a fairly big progress in last year's various sorts of foreign economic business, since the beginning of 1993, our province has boosted its working enthusiasm, done practical things, sought truth from facts, and succeeded in overfulfilling all work tasks during the first half of this year. During the January-June period, the whole province signed a total of 1,071 contracts on foreign economic business items. Of these items, 872 contracts were on using foreign capital, involving more than \$1.1 billion, fulfilling 257 percent of the annual plan; and 21 contracts were on importing technology and equipment, and the foreign transactions involving a contracted value of \$240 million, fulfilling 82 percent of the annual plan. Of the foreign exchange involved in the contracts on technological import, 61.4 percent of which was used for importing technological software. This was a historical breakthrough which ranked the province among the front row in the whole country. [passage omitted]

We have strengthened the work of inviting business and investments and held trade talks at all levels and through various forms. During the first half of this year, the whole province organized a series of activities to invite business and investments and achieved noticeable results. In March, our province sponsored the 1993 Jilin-Hong Kong international fair on economic and technological cooperation and export commodities in Hong Kong. In April, we also organized a delegation to Japan to invite investments for developing Jilin Province's Hunchun and Tumenjiang areas, and organized 35 enterprises, institutions, organs and units in the province to participate in the third international exposition in Beijing. [passage omitted]

We have placed large projects in the lead and achieved breakthroughs in major projects. This year our province's foreign economic departments have raised funds from foreign countries and brought in advanced technological equipment for the major projects and items in close connection with the Eighth Five-Year Plan and the Ninth Five-Year Plan; introduced foreign capital for developing our province's infrastructure facilities, basic industries, pillar industries and superior industries, including energy, communications, telecommunications and raw materials, and for carrying out technological transformation in old enterprises; used foreign capital to raise the agricultural comprehensive production capacity, and developed fine-quality, high-yield and highly efficient farming and farming that can create foreign exchange. It was learned that during the first half of this year, our province noticeably increased the number of large projects using foreign capital. There were 64 projects each involving an investment of more than \$5 million and 24 projects each involving \$10 million. The number of large projects of the past six months exceeded the total of last year. [passage omitted]

During the first half of this year, our province signed 87 economic and technological cooperation contracts with neighboring countries, involving \$77.25 million; sent 6,751 labor service workers to foreign countries; ran 26 non-trade enterprises outside the border; and exported eight technologies involving a contracted value of \$8.225 million.

#### **Jilin Discipline Inspection Session Opens**

SK2409121793 Changchun JILIN RIBAO in Chinese  
9 Sep 93 pp 1, 2

[By Huang Xiaozuan (7806 1420 9449) and reporter Xin Liquan (6580 7787 1227): "Second Plenary Session of Provincial Discipline Inspection Commission Opens"]

[Text] The second plenary session of the provincial discipline inspection commission opened in Changchun on 8 September. Major items on the agenda of the session are to relay and implement the guidelines of Comrade Jiang Zemin's important speech, the second plenary session of the Central Discipline Inspection Commission, and enlarged standing committee meeting of the provincial

party committee; to study specific measures for strengthening the anticorruption struggle and promoting progress in party style and administrative honesty in the new situation; to study ways to implement the arrangements of the central authorities and the provincial party committee; to unify thinking; to clarify tasks; and to expand measures to do a better job in improving party style and administrative honesty, achieve good results for the current stage in the near future, ensure accomplishment of Jilin's tasks and targets of deepening reform, opening wider to the outside world, and building a developed border province near the sea, and serve comprehensive implementation of the party's basic line.

The session conscientiously analyzed Jilin's current situation in the anticorruption struggle. It agreed: Comrade Jiang Zemin's profound analysis and overall appraisal of the current anticorruption struggle made in his important speech to the second plenary session of the Central Discipline Inspection Commission are in total conformity to the reality of Jilin Province. Regarding the anticorruption struggle, the provincial party committee and government have a firm attitude and clear-cut stance. Over the past few years, they have always adhered to the strategic principle of attending to two tasks simultaneously and adopted a series of effective measures and practical steps to check malpractice, rectify discipline, punish corruption, and advocate honesty. Party organizations and discipline inspection and supervision organs at all levels in the province have also done a great amount of work in this aspect. Judging from the current situation, the anticorruption struggle is fruitful.

Discipline breaches have been conscientiously investigated and handled. From January to August this year, discipline inspection and supervision organs at the three levels in the province put 1,422 cases on file for investigation and concluded 943, or 66.32, percent of them. Of the total cases, 197 were large and serious ones, 114 cadres at and above the county or section level were involved in these cases, 265 people involved were dismissed from their posts or given heavier punishments, and 30 people involved had their criminal liabilities pursued by judicial organs. Economic losses totaling 1,267,300 yuan were recovered for the state.

Supervision and inspection have been strengthened over government's change of functions, enterprises' transformation of operating mechanism, the work to reduce the burdens on peasants, and implementation of the document No. 6 of the central authorities and the document No. 7 of the Central Discipline Inspection Commission. By the end of August, discipline inspection and supervision organs at all levels in the province had conducted 254 investigation and inspection projects; submitted 225 reports to party committees, governments, and pertinent departments at all levels; and made coordination to solve more than 300 problems.

Efforts have been concentrated on special campaigns to correct unhealthy trends. Since the beginning of this year, discipline inspection and supervision organs at the

provincial, city, and county levels have coordinated with pertinent departments to organize more than 900 cadres into 115 inspection groups and sent them to the 543 villages of 289 towns and townships to inspect how the emergency circulars of the general offices of the party Central Committee and the State Council and the 10 prohibitions of the provincial government were implemented, thus promoting the work to reduce the burdens on peasants. After the Nanning conference held by the State Council Office for Checking Unhealthy Trends in Business Activities, the provincial party committee approved and transmitted the "Opinions on Launching Special Campaigns To Correct the Unhealthy Trends in Some Departments and Trade" issued by the provincial discipline inspection commission and the provincial supervision department. It also decided to launch special improvement campaigns of "three eliminations, two inspections, and one rectification" in some departments and trades to particularly resolve the unhealthy trend of monopoly in some trades and the increase in the burdens on enterprises. All localities have taken action rapidly and started the special campaigns across the board.

Mechanisms for prevention and restriction have been gradually established and improved. We started implementing the system of making work public in 18 departments and trades last year. This year, we again established the system to restrict the key posts authorized to screen and approve distribution of personnel, financial, and material resources in industrial and commercial, tax, monetary, public security, and other key departments, thus strengthening the mechanism for internal and external supervision and restriction.

Propaganda and education on opposing corruption and advocating honesty have been intensified. We have concentrated efforts to launch the propaganda and education on the party constitution and party and government regulations. We have summarized and publicized the advanced examples in diligence and honesty in performing official duties. We have produced special video films on the selected cases that created rather large impact in the province and the model persons whose deeds were prominent and shown them to party members and cadres as an education to resist corruption and avoid degeneration. Having been shown at the second plenary session of the Central Discipline Inspection Commission, some of the films evoked fairly great repercussions and were well received.

The session pointed out: We should fully affirm Jilin's achievements in the anticorruption struggle but must not overestimate them. Negative and corrupt phenomena and unhealthy trends still exist within the party and are spreading in some cases. The situation in the anticorruption struggle remains grim. First, large and serious cases are on the rise. Embezzlement, bribe taking, smuggling, trafficking of smuggled goods, and other economic cases are increasing, the proportion of the law and discipline breaches committed by leading cadres with party membership is growing, and bribe taking cases committed by functionaries of law-enforcement and supervision

departments are frequent. Second, abuse of power for selfish gains and deals between money and power have extended to many fields. Unhealthy trends that increase the burdens on enterprises and the masses, such as abusing power for extortion, embezzlement and asking for benefits, refusing to work without benefits, brazenly damaging the masses' interests, and abusing the administrative function of certain trades to wantonly collect fares, fines, and donations, remain rather serious. Third, pleasure-seeking, degeneration, and waste become increasingly serious. More and more people are going in for ostentation, displaying wealth, and giving parties with public funds, and the amount of money involved in each case is increasing. Travels to outside the county and outside the border with public funds continue. Decorating houses beyond set standards at public expenses and purchases of deluxe cars are emerging once again. An extremely small number of cadres with party membership are engaged in gambling and visit prostitutes, violating laws and discipline to a serious extent. Fourth, it is not uncommon that people flaunt the banner of developing the market economy, exploit the loopholes in reform, and abuse power to do business to seek selfish gains for individuals and small groups. Fifth, measures are formulated to counter the measures of higher authorities, and orders and prohibitions are not carried out, thus affecting the smooth implementation of the decisions of the central authorities and the provincial party committee on macroeconomic regulation and control. Such negative and corrupt phenomena have seriously interfered with and hindered the progress of reform, opening up, and the modernization drive, harmed the party's prestige, undermined the party-populace and cadre-populace relations, and dampened the masses' enthusiasm. It is time for us to tackle them. Therefore, we should have full understanding, follow the arrangements of the central authorities and the requirements of the provincial party committee, and adopt resolute measures to resolve them.

The session emphasized: In waging the anticorruption struggle, we should take economic construction as the central task and firmly implement the guiding thought of serving the party's basic line; adhere to the principle of managing the party strictly and win achievements for the current stage within a short period of time; give prominence to work priorities and start with leading organs and leading cadres; firmly rely on the masses and refrain from launching mass movement; and take both radical and stopgap measures to solve problems fundamentally and on a long-term basis.

Twenty-six members of the provincial discipline inspection commission attended the session. Attending as observers were 133 people, including the deputy directors of the provincial supervision departments who are not standing committee members or members of the provincial discipline inspection commission; heads (secretaries) of the various discipline inspection groups (commissions) of provincial departments; pertinent leaders of the provincial departments which do not have



discipline inspection groups; secretaries of the discipline inspection commissions and directors of the supervision departments of various cities and prefectures; and responsible comrades of the various offices of the provincial discipline inspection commission.

#### **Jilin Holds Meeting on Land Management**

SK2309141393 Changchun JILIN RIBAO in Chinese  
7 Sep 93 p 1

[By reporter Dong Wenjun (5516 2429 0689): "Increase the Dynamics of Reform and Standardize Real Estate Market"]

[Text] The three-day provincial meeting of directors of land management bureaus ended in Changchun on the afternoon of 6 September.

Ren Junjie, vice chairman of the provincial people's congress standing committee, and Wang Guofa, vice governor of the province, attended the meeting and made speeches.

The meeting relayed the guidelines of the national meeting of directors of land management departments and bureaus and discussed how to strengthen the management of the province's real estate market.

The meeting maintained: The province has already made a gratifying step in reforming land use systems. Real estate market has begun to take shape and has already provided a huge amount of fund for urban construction and land development. However, because the reform of land use systems was begun not long ago and the building of real estate market has just started, plus the influence from the shift of old systems to new ones, some problems remain and need urgent solution. These problems can be primarily summarized as: The reform of land use systems has been conducted unevenly; the management of the real estate market is confused; the cases of violation of land laws have increased, thus affecting the land unified management system; and real estate has been losing seriously and land-use taxes and charges have been exempted and reduced without authorization.

The meeting maintained: The cardinal way to solve these problems lies in accelerating the reform of land use systems. We should fully understand the position and role of real estate market and strengthen management of real estate market. We should conduct an all-round screening of the land used for construction since 1992. We should strengthen the building of the legal system and standardize, restrict, and manage real estate market according to law. We should increase the dynamics of reform and comprehensively spread the reform of system on use of urban land.

The meeting stressed: At present, when strengthening land management and macroeconomic regulation and control, we should, on the one hand, seize the opportunity, increase the dynamics of reform, and promote the reform of land use systems and the building of real estate market. On the other hand, we should grasp the building of the legal system, strengthen management, and solve the confused management of real estate market and real estate trade in order to orient the real estate market to the orbit of legal operation.

#### **Liaoning Amity Delegation Returns From Japan**

SK2409100193 Shenyang Liaoning People's Radio  
Network in Mandarin 1000 GMT 23 Sep 93

[Text] The provincial friendly delegation led by Quan Shuren, secretary of the provincial party committee and chairman of the provincial people's congress successfully ended its friendly visit to Japan and returned home on 22 September. Vice Governor Wen Shizhen and Bo Xilai, mayor of Dalian city, greeted the delegation at the airport.

During this visit, the provincial friendly delegation participated in the celebration activities held by Kanagawa Prefecture to mark the 10th anniversary of the establishment of friendly ties between the province and the prefecture and held a seminar on investment in Liaoning Province along with Kanagawa Prefecture in an effort to further strengthen understanding and friendship between both sides. On the basis of reviewing and summing up the past 10 years of achievements in exchange, the province and the prefecture jointly defined the principle on making continued efforts to strengthen friendly exchange and actual cooperation in the future and ascertained a good start in developing cooperation in a more extensive sphere.

## Hong Kong

### 'Text' of Deng's 1982 Talk With Thatcher

CM2409163093 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Sep 93 p 1

[Text] Beijing, 24 Sep—The following is the text of a talk by Deng Xiaoping, "Our Basic Position on the Hong Kong Question," with British Prime Minister Margaret Thatcher on 24 September 1982, which is released here today:

Our basic position on the question of Hong Kong is clear. Three major issues are involved. One is the issue of sovereignty. Another is the way in which China will administer Hong Kong so as to maintain its prosperity after 1997. Still another is the need for the Chinese and British Governments to hold appropriate discussions on ways to avoid major disturbances in Hong Kong during the 15 years between now and 1997.

On the question of sovereignty, China has no room for maneuver. To be frank, the question of sovereignty is not open to discussion. To be more specific, China will not only take back the new territories but also Hong Kong Island and Kowloon. It must be on that understanding that China and the United Kingdom will hold talks on the ways and means of settling the Hong Kong question.

If China fails to take Hong Kong back in 1997, when the People's Republic will have been established for 48 years, no Chinese leaders or government would be able to justify themselves for that failure before the Chinese people or before the people of the world. It would mean that the present Chinese Government was just like the government of the late Qing Dynasty and that the present Chinese leaders were just like Li Hongzhang!

We have waited for 33 years, and if we add another 15 years, that will make it 48. We are able to wait for such a long time because we enjoy the full confidence of the people. If we fail to take Hong Kong back in 15 years, the people would no longer have reason to trust us, and any Chinese Government would have no alternative but to step down and voluntarily leave the political arena. Therefore, at this time—I don't mean today, of course, but in no more than one or two years—China will officially announce its decision to take back Hong Kong. We can wait another year or two, but definitely not longer.

In a broad sense, China's announcement of this policy decision will be beneficial to Great Britain, because it will mean that 1997 will mark the thorough end of the era of British colonial rule, and this will be welcomed by world public opinion. So the British Government should support this policy decision. The Chinese and British Governments should work together to find a satisfactory solution to the question of Hong Kong.

We hope to have Britain's cooperation in maintaining prosperity in Hong Kong, but this does not mean that continued prosperity can only be ensured under British administration. Maintaining prosperity in Hong Kong

depends essentially on applying appropriate policies under Chinese administration after the takeover. Hong Kong's current political and economic systems and even most of its laws can remain in force. Of course, some of them will be modified. Hong Kong will continue to be run under the capitalist system, and many of the appropriate systems currently in use will be maintained. We shall have an extensive exchange of views with people from all walks of life in Hong Kong before formulating the principles and policies for the next 15 years and beyond. These principles and policies should be acceptable not only to the people of Hong Kong but also to investors, and first of all to Britain, because their interests also will be taken into account. We hope that the Chinese and British Governments will engage in friendly consultations on this question, and we shall be glad to listen to the suggestions put forward by the British Government. All this takes time. Why must we wait one or two years before announcing our decision to recover Hong Kong? Because during that period we hope to consult all sorts of people.

The main concern of people today is that if prosperity is not maintained in Hong Kong, it might retard the Chinese drive for modernization. I think we cannot say that this definitely will not happen, but it would be wrong to say that the negative impact would be very great. If China decided to base the success of its modernization drive on prosperity in Hong Kong, that decision would be wrong. People are also worried about the possibility of a withdrawal of foreign capital from Hong Kong. But so long as we adopt appropriate policies, capital that leaves Hong Kong will return. Therefore, when we announce our decision to take over Hong Kong in 1997, we should at the same time announce the systems and policies that will be in force there after that date.

Some people are apprehensive that once China declares its intention to recover Hong Kong in 1997, there will be disturbances there. I believe that while minor disturbances are inevitable, major ones can be avoided if China and Britain approach the question in a cooperative spirit. I want to tell you that the Chinese Government took all possibilities into account when it made this policy decision. We even considered the possibility of something we would hate to see happen; that is, we considered what we should do if serious disturbances occurred in Hong Kong during the transition period of 15 years. The Chinese Government would then be compelled to reconsider the timing and manner of the takeover. If the announcement of the recovery of Hong Kong has, as you put it, "disastrous effects", we will face them squarely and make a new decision. I hope that beginning from your current visit, government officials of the two countries will conduct earnest consultations through diplomatic channels to find ways of avoiding any disastrous effects.

I am convinced that we can work out policies that should be applied after the recovery of Hong Kong and that will be acceptable to all quarters. I have no concern on that score. What I am concerned about is how to make a smooth transition over the next 15 years. I am worried that there

may be major disturbances in this period, man-made disturbances. These could be created not just by foreigners, chiefly British, but also by Chinese. It is very easy to create disturbances. This is precisely the problem our consultations will be designed to solve. The governments of the two countries should not only refrain from doing anything that would hamper the prosperity of Hong Kong, but should ensure that entrepreneurs and people in all other lines of work do so, as well. There must be no major disturbances in Hong Kong during the 15-year transition period, and affairs there must be administered even better after the Chinese takeover in 1997.

We suggest that an agreement be reached that the two sides will begin consultations on the question of Hong Kong through diplomatic channels. The prerequisite is the understanding that China will take over Hong Kong in 1997. On this basis we should discuss how to carry out the transition successfully in the next 15 years and what to do in Hong Kong after the end of that period.

#### Spokesman on Talk's Publication

OW2409044293 Beijing Central People's Radio  
Network in Mandarin 0300 GMT 24 Sep 93

[From the "News" program]

[Text] On 24 September, a Foreign Ministry spokesman gave a news briefing for reporters on the publication in China of a 1982 talk by Deng Xiaoping on the Hong Kong question.

When asked why China published Deng's 1982 talk today, the spokesman said: In September 1982, Comrade Deng Xiaoping had an important talk with Mrs. Thatcher, then British prime minister, on the Hong Kong question. Eleven years have elapsed since then. In the talk, he comprehensively explained the Chinese Government's basic position on the Hong Kong question. The subsequent events testify to the great far-sightedness of the talk, which is entirely correct and which is of essential practical significance for guiding the stable transition of Hong Kong and the smooth transfer of power in 1997. In fewer than four years, Hong Kong's transition period will be over. The task of comprehensively implementing the Sino-British Joint Statement is very arduous. No matter under what circumstances, we are determined and are capable to resume the exercise of sovereignty over Hong Kong; to implement the principles of one country, two systems and of Hong Kong ruled by Hong Kong people; and to maintain Hong Kong's long-term prosperity and stability. At the same time, we sincerely hope that in the remaining few years of the transition period, the Chinese and British Governments will cooperate and work together to fulfill the historic mission entrusted upon the two countries by the Sino-British Joint Statement.

#### XINHUA Cites U.S. Consul's Speech

OW2309121093 Beijing XINHUA in English 1159  
GMT 23 Sep 93

[Text] Hong Kong, September 23 (XINHUA)—Hong Kong's future is closely linked with China's. It cannot expect to thrive in a state of confrontation with Beijing.

This was part of the maiden speech made by U.S. Consul General Richard Mueller since he took up the post in Hong Kong at an American Chamber of Commerce luncheon.

Hong Kong and the Chinese mainland will have to work with each other to preserve Hong Kong's unique status as a special administrative region, he said.

He said that good U.S.-China relations are important to the long-term stability, prosperity, and well-being of Hong Kong.

He expects that the United States and China will move forward in building and strengthening relationship between the two countries.

#### PRC Official Thanks People on Olympic Bid

HK2409085693 Hong Kong HSIN WAN PAO in  
Chinese 24 Sep 93 p 1

["Special dispatch" by staff reporter Kuang Shu-yi (6782 3219 0308): "Chen Ziyang Thanks Hong Kong People for Their Support, Saying Beijing Still Has a Chance To Host the Olympics"]

[Text] Beijing, 24 Sep (HSIN WAN PAO)—Chen Ziyang, deputy director of the State Council's Hong Kong and Macao Affairs Office, said that although Beijing this time failed in its Olympic bid, we should still congratulate Sydney and hope that it will successfully host the Olympics. He said that China's efforts were not futile and China will still have the chance of hosting the Olympics.

Chen Ziyang pointed out: Although Beijing's Olympic bid failed, the efforts showed that since China adopted the reform and opening policy, the country had enjoyed political and social stability and development, had made substantial progress, and had raised its national strength. He also thanked Hong Kong people for their support.

When talking about the appointment of Anson Chan Fang On-sang to be chief secretary, Chen Ziyang pointed out: Before 30 June 1997, the British side is responsible for Hong Kong's administration. At the same time, the Basic Law also specifies the arrangements of the transfer of the Hong Kong Government officials to the Special Administrative Region Government.

As for some people's opinion that Mrs. Chan was not on good terms with the Chinese side, Chen Ziyang said that Mrs. Chan had certain work relations with Beijing and her working relations with various quarters of the mainland were also normal.



As for the fact that the New Airport Committee had failed to reach an agreement, Chen Ziyang said that this is a matter concerning both sides, China and Britain, and progress should be made. The Chinese side has sincerity

and has made great efforts. He hoped that the British side would also show sincerity. Chen Ziyang refused to comment on the meeting between the Chinese and British foreign ministers.

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